



# ***Daily Report***

## **East Asia**

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# Daily Report

## East Asia

FBIS-EAS-94-249

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## Japan

### **EPA Chief To Brief Tyson on Japanese Economy** *OW2712131594 Tokyo NIHON KEIZAI SHIMBUN in Japanese 26 Dec 94 Morning Edition p 7*

[FBIS Translated Text] Masahiko Komura, director general of the Economic Planning Agency [EPA], will visit the United States from 7 to 14 January. During his stay in the United States, he will meet with Laura Tyson, chairman of the Council of Economic Advisers, to exchange views on the economic policies of Japan and the United States. He will also visit the Georgia Institute of Technology to get a firsthand look at the current phase of building a multimedia society in the United States.

At the meeting with Tyson, Komura will inform Tyson that Japan's economy has entered the recovery phase and that Japan will work to manage its economy in the direction of expanding domestic demand in 1995.

### **Murayama To Discuss Base Issue During U.S. Trip**

*OW2812133594 Naha RYUKYU SHIMPO in Japanese 28 Dec 94 Morning Edition p 2*

[FBIS Translated Text] Prime Minister Tomiichi Murayama will take up Okinawa's military base problem as one of the major topics for his U.S. trip scheduled for 11 January. Kosuke Uehara, vice chairman of the Social Democratic Party of Japan [SDPJ], said on 27 December. In a news conference held at the prefectural government press club, Uehara also said Foreign Minister Yohei Kono told him "the prime minister repeatedly ordered me to settle (Okinawa's) base problems somehow, and I would like to discuss this issue with the secretary of state and other officials concerned when I visit the United States."

To request an early settlement of Okinawa's base-related problems, Uehara called on Murayama at his office on 23 December, and handed his personal report on the "U.S. Bases on Okinawa—Current Situation and Tasks" (8 pages). Based on the brochure, Uehara held a briefing for Murayama for about an hour. After the briefing, Prime Minister Murayama reportedly noted Okinawa has been "suffering from the base-related problems for 50 years, and it is necessary to give consideration to recent changes in the international situation and to feelings of Okinawans." On that ground, Murayama told Uehara that he would like to propose to U.S. leaders to settle these issues when he visits the United States in January.

Uehara also held briefings for Defense Agency Director General Tokuichiro Tamazawa and Kono, deputy prime minister and foreign minister, on 24 and 25 December, respectively. Furthermore, Uehara mailed his brochure to Sadatoshi Ozato, Okinawa Development Agency director general, and Noboru Hoshuyama, Defense

Facilities Administration Agency director general, and called for an early settlement of the problems.

Referring to prospects for enactment of a legislation to accelerate return of military facilities, Uehara said: "If the law should take effect on 1 April, the bill must be brought to the Diet by mid-March. It depends on how the prefectural government and the landlords' association persuade the Liberal Democratic Party [LDP], and if the LDP makes some sort of concessions."

### **Okinawa Protests U.S. Marine Training March**

*OW2312150494 Naha OKINAWA TIMES in Japanese 22 Dec 94 Morning Edition p 25*

[FBIS Translated Text] In connection with the U.S. Marines' marching on a public road, Tatsuo Matayoshi, director of the executive office of the [Okinawan] governor, filed a protest with the U.S. Consul General in Okinawa and the Naha Defense Facilities Administration Bureau [DFAB] on 21 December requesting that the U.S. Marines "stop training exercises which rub the Okinawan people the wrong way."

According to Matayoshi, the Okinawa Prefectural Government called on the Naha DFAB on 20 December—when the march began—to request that the U.S. side discontinue the march, and it telephoned the U.S. Consulate on the morning of 21 December to make the same request. On the afternoon of the same day, the consulate informed the prefectural government of the U.S. Marines' decision to discontinue the training.

Because this 35-km march, which took place over two days in the central northern part of Okinawa, is unprecedented, the prefectural government also plans to file a protest on 22 December directed against the commander of the 3d Marine Forces Support Services Group. Matayoshi said, "Marching fully armed soldiers on a public road on Okinawa defies common sense, because Okinawa is seeking to become a center for tourism."

The deputy consul general, who received the protest, stated that he would inform his superior and the U.S. forces of the request. He then added, "In the United States, marches lasting for two weeks are carried out for the purpose of enforcing unit discipline."

### **Marines To End Training March**

*OW2312144794 Naha OKINAWA TIMES in Japanese 22 Dec 94 Morning Edition p 25*

[FBIS Translated Text] About 80 U.S. Marines on Okinawa who were participating in a training march with full arms on public highways and other public roads stopped their march in front of Camp Lester at Kuwae, Chatan-cho, on 21 December and encountered protests by Okinawan trade union members. The training march had started on 20 December. The Marine Corps public relations office said: "The march was blocked by protest actions; headquarters thus decided to stop the march."



The Okinawa Peace Center and various area trade union chapters held a protest rally in front of the Camp Kinser gate starting at 1245 on 21 December at Shiroma, Urasoe, and shouted, "Marching through private sector areas is an act of ignoring the people of the prefecture, and this can never be permitted!" They shouted slogans in the direction of the base.

The Marines, who are from a unit on Okinawa, started from Camp Schwab in Nago on 20 December, and walked on State Highway 329 heading south and passing through Kin-cho, Ishikawa City, up to Gushikawa City. While marching through Shirohara, Ginoza-son, the lead vehicles drove through a farm and caused farmers to become angry. On 21 December, they were supposed to march to Camp Kinser, which was their destination. They were leaving after a break at Camp Lester when they encountered protest actions by the people of the Chubu area trade union chapter. The Marines stopped their march and departed aboard vehicles.

About 60 people took part in this protest rally.

#### **More U.S. Submarines Call on Ports in 1994**

*OW2812104994 Tokyo KYODO in English 1002 GMT  
28 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 28 KYODO—Reflecting Washington's concern over North Korea's nuclear program and Chinese military exercises, more U.S. nuclear-powered submarines have called on ports and bases in Japan in 1994 than usual, local statistics showed Wednesday [28 December].

As of Wednesday, this year's figure for submarine port calls soared to 57 with most visits taking place in the second half of the year. Calls numbered between 39 and 45 visits a year for the 1989- 93 period, which saw the demise of the Soviet Union and the end of the Cold War.

An expert on the U.S. Navy said Washington intensified submarine activity in the Sea of Japan against the backdrop of a looming nuclear crisis on the Korean peninsula and large-scale Chinese Navy maneuvers in the East China Sea earlier this year.

U.S. nuclear-powered submarines called more frequently at Sasebo Port in Nagasaki Prefecture on the southern main island of Kyushu, bringing the total to a record high 14 visits this year.

At the same time, the U.S. Navy base White Beach on Okinawa island registered a total of 18 visits, an all-time high since the island prefecture's return to Japan in 1972.

In July, as nuclear negotiations with Pyongyang stalled, the U.S. forces dispatched a carrier group, including the aircraft carriers Kitty Hawk and Independence, to the Sea of Japan to bolster the U.S. stance at the negotiating table.

The move led to an increase in submarine calls at Yokosuka Base in Kanagawa Prefecture, which saw a total of 25 visits this year.

The U.S. forces cite overhauls and replenishment of provisions as reasons for the port calls. Defense analysts maintain that the short stopovers, which usually last between 20 minutes and one hour, are more likely to be made to replace intelligence officers and their equipment.

With hostilities with the former archenemy the Soviet Union gone after the end of the Cold War, the U.S. has radically shifted its defense focus to tracing Chinese and other submarines, they say.

In line with this recent development, the U.S. Navy and Japan's Maritime Self-Defense Force held their first joint anti-submarine exercises in 10 years off Shimane Prefecture in September.

#### **Talks With U.S. on Deregulation Scheduled**

*OW2712132994 Tokyo KYODO in English 1145 GMT  
27 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 27 KYODO—Japan and the United States will hold working-level sessions Jan 23-24 on deregulation and competition under the bilateral framework trade talks, trade ministry officials said Tuesday [27 December].

The officials of the Ministry of International Trade and Industry said Tokyo hopes to host the negotiations, which will mark the resumption of the talks after a two-month recess since mid-November.

The coming talks are expected to center on a Japanese response to a U.S. request made in November for deregulation in 11 individual areas, including information and telecommunications.

#### **More on Deregulatory Proposals**

*OW2812043894 Tokyo KYODO in English 0413 GMT  
28 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 28 KYODO—A government panel will offer recommendations on deregulation in February as a step toward formulating the government's five-year deregulatory plan, a government spokesman said Wednesday [28 December].

Chief Cabinet Secretary Kozo Igarashi told a news conference the panel will set up two working groups to come up with specific proposals on deregulation.

One working group will deal with market access improvement and rectification of price differentials between domestic and overseas goods, while the other will mull creating new jobs and promoting the nation's industrial competitiveness, Igarashi said.



The panel's recommendations to be put forward in February will be reflected in the government's five-year deregulatory scheme to be compiled within fiscal 1994, which ends March 31.

### **Resumption of U.S. Financial Talks Previewed**

*OW2712130994 Tokyo NIHON KEIZAI SHIMBUN in Japanese 26 Dec 94 Morning Edition p 7*

[By Satoru Tsugawa]

[FBIS Translated Text] Washington, 25 Dec—Japan and the United States are scheduled to hold financial service negotiations under the Japanese-U.S. framework talks in Seattle on 28 and 29 December. As for the entire financial services sector, the Finance Ministry has so far presented proposals for promoting U.S. financial firms' entry into the Japanese market, including a reform of the investment trust industry. The U.S. Government has evaluated that "great progress has been made in the last two or three weeks" (as stated by a U.S. Department of the Treasury official). Because the Treasury is seeking an agreement by the end of the year, there is a great possibility that the upcoming negotiations will be the final set of them. However, the U.S. Government, which thinks that Japan's proposals are still insufficient, has asked Japan to make an additional compromise, saying that "an agreement by the year's end depends on how great a concession Japan will make" (according to the same official). For this reason, Japan will likely face tough negotiations which, according to the circumstances, might continue up to the very end of the year.

There has been no progress in the financial negotiations for nearly one and a half years. The two countries, however, have made considerable recent progress because at the previous negotiations held in Tokyo from 7 through 9 December, Japan gave replies in concrete terms to the U.S. demands. Moreover, the two countries, at the 19-20 December informal meeting in Washington of department heads and deputy department heads, showed their intention to reach an agreement by the year's end.

The major focal point in the financial negotiations is investment advisory companies' entry into the public pension fund management sector. The Finance Ministry has proposed a compromise plan to allow investment advisory companies to indirectly enter the public pension fund market through trust banks. The Department of the Treasury observes that "although the proposal is favorable, it is necessary to discuss whether or not it is effective." What is behind this U.S. attitude is the U.S. industry's concern that "it is unknown whether or not trust banks will actually allow investment advisory companies to utilize public pension funds" (as stated by the U.S. association of investment companies).

The United States is not completely satisfied with the Finance Ministry's reform proposals: a reform of the investment trust industry centering on the combination

of management business for investment trusts and the investment consulting industry, and a reform designed to abolish regulations on welfare pension fund management by investment advisory companies. It has claimed that "although the reform policy is welcomed, Japan's efforts are still insufficient" (as stated by the U.S. association of investment companies). Among the U.S. demands concerning the management of welfare pension funds are the easing of management regulations such as the rule that "over 50 percent of the total funds should be managed in national bonds and savings"; the introduction of the management evaluation system, and other demands.

There are still differences between the two countries on other issues concerning the financial services sector, including the corporate bond market and cross-border trading. However, there are some circumstances that should be taken into consideration. For example, Japanese-U.S. summit talks are set for 11 January, and the U.S. Government wants to speed up financial negotiations with other Asian nations.

### **Auto Talks With U.S. Said To Resume Soon**

*OW2812102494 Tokyo KYODO in English 0957 GMT 28 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 28 KYODO—The United States has accepted four Japanese-imposed conditions on auto trade, paving the way for an early resumption of the most contentious part of "framework" talks, a senior Japanese trade ministry official said Wednesday [28 December].

"I understand Washington has accepted Japan's position on auto and auto parts trade during the latest talks," said Sozaburo Okamatsu, outgoing vice international trade and industry minister for international affairs.

Okamatsu was briefing reporters on his meeting with Jeffrey Garten, U.S. undersecretary of commerce for international trade, in London on Tuesday.

"Japan and the U.S. will formally announce a procedure for restarting the stalled auto trade talks in early January," said Okamatsu, who stepped down Wednesday in line with the resignation of Vice International Trade and Industry Minister Hideaki Kumano.

The four conditions imposed by Tokyo are that anything beyond "government reach" should not be subject to framework talks, "numerical targets" should not be introduced as "objective criteria," the Japanese Government has no role to play in the so-called "voluntary" foreign auto parts purchase plans by Japanese automakers and a retaliatory approach such as Section 301 is not acceptable.

Washington has been equivocal about commitments to observing these conditions, blocking an early reopening of the auto trade talks following their rupture at the beginning of October.



"I don't think it will take long before the talks' resumption," Okamatsu said.

Bilateral auto trade talks held in Washington from September to October broke down mainly due to differing views on better foreign access to Japan's car repair market.

The rupture prompted the U.S. to launch investigation into the trade area under Section 301 of the 1974 U.S. trade law, which stipulates sanctions against unfair trade partners.

During a meeting between Japanese Trade Minister Ryutaro Hashimoto and U.S. Trade Representative Mickey Kantor in Jakarta in November, the two countries basically agreed to early resumption of auto talks while leaving the setting of a specific time schedule to coordination by Okamatsu and Garten.

But reports emerged soon after the Hashimoto-Kantor meeting that top U.S. trade officials like Commerce Secretary Ron Brown still oppose Japan's four conditions, putting a shadow on the fate of Japan-U.S. auto trade talks.

Okamatsu said the issue of auto trade will be among framework topics during the Jan. 11 summit meeting between Japanese Prime Minister Tomiichi Murayama and U.S. President Bill Clinton in Washington.

"But specifics of the topic will not be touched on by the two leaders," Okamatsu said.

The auto trade issue is the last sectoral issue to be resolved under the framework talks for new economic and trade ties.

Auto trade talks next year will be handled by Yoshihiro Sakamoto, director general of the International Trade Policy Bureau, who replaced Okamatsu Wednesday.

#### **France Question Tokyo's Choice of U.S. Aircraft**

*OW2612021994 Tokyo MAINICHI SHIMBUN in Japanese 21 Dec 94 Morning Edition p 8*

[Report on interview with Serge Dassault, president of French aviation company Dassault, by MAINICHI SHIMBUN Foreign Desk reporter Naoki Fukuhara on 20 December; place not given]

[FBIS Translated Excerpt] [passage omitted on the Dassault company's production and sales plans] He then referred to the personal letter sent by Prime Minister Balladur to the Japanese Government on the issue of Tokyo's plan to purchase UX aircraft.

Dassault admitted that a government-level approach had been made in the hope that Japan might select Dassault-made aircraft, saying: "The prime minister offered to help us. An envoy from the Organization for Economic Cooperation and Development (OECD) also made a request to Japanese officials, on the basis of the opportunity it provided to rectify the trade balance."

On the Japanese Government's decision to purchase the U.S.-made "Gulfstream," he spoke out strongly: "Objectively speaking, Falcon is superior in all aspects, including safety and landing capability. Unlike the United States, the French Government has no limitations on technical transfer, and in this sense, I think Japan would find us a good partner."

#### **FTC To Discuss Competition Policy With U.S.**

*OW2712133294 Tokyo KYODO in English 1111 GMT 27 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 27 KYODO—The Fair Trade Commission (FTC) said Tuesday [27 December] it will hold talks with its U.S. and Canadian counterparts in January to discuss competition policy.

The FTC will hold a meeting with the U.S. Federal Trade Commission and the U.S. Justice Department in Washington for two days from Jan. 10, the Japanese antitrust watchdog said.

The Japan-U.S. antimonopoly meeting, the 17th of its kind since 1977, will focus on restrictions on mergers and acquisitions, protection of consumers, a guideline on corporate shareholding and bilateral cooperation in antitrust policy, the FTC said.

The FTC's meeting with its Canadian counterpart, the fourth since 1987, is set for Jan. 12 in Ottawa, it said.

The meeting will center on institutional frameworks on competition, competition laws, handling of competition policy in restricted areas and international problems on competition, the FTC said.

#### **First Shipment of U.S. Apples Worries Growers**

*OW2612073494 Tokyo KYODO in English 0658 GMT 26 Dec 94*

[FBIS Transcribed Text] Aomori, Dec. 26 KYODO—Japanese apple growers expressed fears Monday [26 December] that the first shipment of apples from the United States, due to arrive in Japan shortly, will depress apple prices in the Japanese market.

Japan lifted a ban on apple imports in August. The first 5,000-ton shipment of U.S.-grown apples is due to go on sale around January 10 at supermarkets and fruits stores nationwide.

The Washington Apple Commission, which represents apple producers in the State of Washington, plans to export 15,000 tons of apples to Japan during the current apple growing season. The amount is equivalent to 1 percent of Japanese annual apple production.

Apple markets in Tokyo apparently plan to purchase the U.S.-grown apples at 3,000 yen per 10 kilograms, only a fraction lower than the average domestic apple price, an apple dealer said.



However, the U.S. growers' association wants to sell its apples at roughly half the price of Japanese-grown apples.

An official of a major supermarket-chain operator which is importing apples from the U.S. said, "although we haven't decided the price yet for the imported apples, we want to challenge the current market price."

Tsuneo Kitae, president of Kitae Apple Co., an Aomori-based apple dealer, said he will be watching closely the reaction of Japanese consumers to the U.S.-grown apples. He said, "I think the first box of apples may sell, but I doubt that Japanese consumers will really go for them."

Apple growers in Aomori Prefecture, Japan's major apple growing center, usually store surplus apples from the fall harvest, waiting until after the New Year to release them on the open market, when apple growers elsewhere in Japan generally face shortages.

But from next year, Aomori apple dealers will be forced to compete with apples from the U.S.

Kitae said, "Japan's consumers, with their delicate palates, will continue to love Japanese apples. But we are afraid that competition from imported apples will put downward pressure on prices."

Tokuei Kitamura, chairman of Aomori Apple Association, a local farmers' organization, said, "we believe there is a potential for market chaos, since the imports from the U.S., unlike those from New Zealand, will be on a large scale. We have to try to grow cheaper apples while maintaining the current taste and quality."

#### **JDA Head on SDF Participation in UN Operations**

*OW2512053894 Tokyo KYODO in English 0522 GMT 25 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 25 KYODO—Japan's Defense Agency head said Sunday [25 December] he is unwilling to lift the freeze on the role of Self-Defense Forces (SDF) troops in the United Nations-commanded military forces.

Tokuichiro Tamazawa, director general of the Defense Agency, disclosed his position on a TV program when asked about the scheduled review of the UN Peacekeeping Cooperation Law next summer.

The UN Peacekeeping Cooperation Law, which was approved by the Diet in June 1992, allows troops to perform limited noncombat duties, such as aiding refugees and building bridges, as part of the UN peacekeeping operations.

The government also decided to freeze the role of SDF troops in the U.N.-commanded military forces in the process of Diet deliberations over the peacekeeping law.

Tamazawa of the Liberal Democratic Party said, "The dispatch (of SDF troops) for UN peacekeeping operations should be limited. I must be cautious in lifting the freeze on the SDF's role in UN Peacekeeping Forces."

He also disapproved of the role of UN Forces in Bosnia-Herzegovina, saying the dispatch of UN Forces caused further conflicts.

Tamazawa added, "I do not think that just any peacekeeping operations under the name of the United Nations necessarily contribute to the international community."

Tamazawa expressed reluctance over the amendment to the SDF law stipulating the SDF troops' role in UN peacekeeping operations as a primary duty.

#### **Tokyo To Call for UN To Curb Illegal Gun Trade**

*OW2712131794 Tokyo KYODO in English 1209 GMT 27 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 27 KYODO—Japan will propose to the coming United Nations General Assembly a declaration calling for global controls to curb illegal trade in firearms, government sources said Tuesday [27 December].

Until the opening of the UN session in the autumn, Japan, which has one of the strictest gun laws in the world, will try to promote its anti-gun drive among UN member states, the sources said.

Japan has already unofficially sounded out more than 20 countries for their support for the declaration, they said.

The draft, which has yet to be finalized by the Foreign Ministry, the National Police Agency (NPA) and other government agencies concerned, will also be submitted to a UN conference on crime prevention to be held in Cairo in April.

The decision to draft the declaration, which would be the first on illegal firearms to be discussed by the world body, comes in response to a wave of shootings around the country involving ordinary citizens, including the death on Sept. 14 of the head of Sumitomo Bank's Nagoya Branch in Aichi Prefecture, central Japan.

According to NPA statistics, 248 shooting incidents had occurred this year in Japan as of Dec. 20. A total of 38 people died as a result, an increase of 11, while deaths of uninvolved citizens have risen to 12.

Given that more than 90 percent of guns tracked down in Japan have been smuggled in from abroad, efficient countermeasures cannot be designed without international support, the sources said.

At a conference earlier Tuesday, representatives from nine government agencies and ministries agreed to boost cooperation to stop the illegal flow of firearms into the country, conference officials said.



They also agreed for the first time to work together in tightening up the patrolling of coastal areas and enlisting the cooperation of international organizations in gun trade-related investigations.

Under the budget for fiscal 1995, the NPA has been authorized to almost triple annual spending on efforts to control the flow and use of illegal firearms to more than 2.8 billion yen.

The United States and seven Asian nations decided at a first ever meeting on gun trafficking in Tokyo earlier this month that the issue should figure high on the agenda of the UN and other international forums.

On Dec. 10, Japan's representative to a UN General Assembly Committee on Humanitarian and Social Issues urged closer international cooperation in fighting the spread of guns.

According to the sources, Tokyo has also considered calling for an international control regime for firearms, but dismissed the idea, since many countries such as the U.S. insist that private possession of guns must remain legal.

According to the sources, the declaration will likely incorporate three major points—setting up a joint policy to fight illegal gun trade, strengthening global controls to prevent smuggling of firearms and a campaign to raise awareness about the dangers of private gun possession among ordinary citizens.

#### **Agencies Agree To Heightened Gun Control Efforts**

*OW2712111394 Tokyo KYODO in English 1053 GMT 27 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 27 KYODO—Representatives from nine government agencies and ministries Tuesday [27 December] agreed at a conference to boost cooperation to stop the illegal flow of firearms into the country, conference officials said.

Agency and ministry officials agreed for the first time to work together in tightening up the patrolling of coastal areas and enlisting the cooperation of international organizations in gun trade-related investigations.

The participating organizations were the cabinet Secretariat, the National Police Agency, the Fisheries Agency, and the Finance, Foreign, International Trade and Industry, Justice, Posts and Telecommunications, and Transport Ministries.

It will be the second time since July 1992 that the government has initiated a campaign to eliminate guns in Japan.

Officials said the Justice Ministry's Immigration Control Bureau will be added for the first time to a special task force made up of prosecutors, police, customs and maritime safety officials.

The task force will supply comprehensive information on gun-related crimes and gun-smuggling routes.

Regarding coastal patrol measures, a joint team made up of the police, maritime safety and immigration officials will be formed to make investigations and step up surveillance of fishing harbors and yachting ports.

The government also aims to set up an emergency liaison office in which to create an information network with related countries as well as hold international seminars on the theme of gun control.

Japan has been hit with a wave of shootings involving ordinary citizens this year, including the death Sept. 14 of the head of Sumitomo Bank's Nagoya Branch in Aichi Prefecture, central Japan.

According to National Police Agency statistics, 248 shooting incidents have occurred this year in Japan up to Dec. 20. A total of 38 people have died as a result, an increase of 11, while deaths of ordinary citizens have risen to 12.

About a third of the guns confiscated by police were found to be in the hands of people not related to organized crime syndicates, signaling an increase in gun possession by ordinary citizens.

On the other hand, only four cases of gun smuggling totaling 63 pieces of firearms have been reported, according to the agency.

#### **Conditions Imposed on Permanent UN Seat**

*952B0029A Tokyo THIS IS YOMIURI in Japanese Nov 94 pp 126-133*

[Article by Taro Yayama: "Joining UN Permanent Security Council: Irrationality of Imposing Conditions"]

[FBIS Translated Text] The ruling coalition parties—Liberal Democratic Party (LDP), SDPJ [Social Democratic Party of Japan], and Sakigake—decided to apply, with "conditions," for a permanent seat on the UN Security Council. The agreement memorandum of the ruling coalition's Foreign Affairs Coordination Council is made up of four points and the first states that Japan will take the initiative to make the tackling of global problems, such as population, poverty, drugs, AIDS, etc., the central task of the United Nations. The second point mentions that Japan will strive for reduction of nuclear and conventional weapons and arms control. The third point specifies that Japan will make it clear it cannot participate in military operations intended to use force of arms.

The fourth point stipulates that the people's consensus will be obtained regarding Japan's joining the UN Permanent Security Council under the foregoing conditions and that responsibilities will be carried out aggressively in the Security Council after securing multilateral consent.



Of these points, the third item will probably pose problems. The issues of reforming the United Nations and admitting permanent Security Council members are the main subjects of the new UN session which began on 20 September. Japan announced its desire to gain a permanent seat on the Security Council with the condition of nonmilitary participation but did the other countries think that a country, which imposed such a "special condition," was worthy of becoming a permanent member? As its name implies, the Security Council exists for the purpose of maintaining peace in the world. When the world peace is disturbed, it is the Security Council which decides whether or not to dispatch a UN Force, as in the case of the Korean war, and multinational forces, as in the case of the Gulf war. Then, is it proper for a country, which is joining as a permanent member, to make nonmilitary participation a condition? When the decision is made apply military sanctions against a certain country, can Japan, which is not dispatching even a single soldier, issue orders to the troops of other countries?

Questions will probably arise internationally, "will Japan, which is not taking any action, order our country's officers and men?" Assuming a permanent seat, however, does not necessarily mean the acceptance of responsibility to participate militarily. The Security Council approved military sanctions in the Gulf war but USSR and PRC did not participate.

If a permanent seat is being sought, nonmilitary participation should not be set as a condition. In the first place, the world is probably not looking forward to Japan's entry so eagerly that it would be welcomed even with strings attached.

The ruling coalition party probably reached the decision to enter with conditions because of differing interpretations of the Japanese Constitution's Article 9. Until recently, the SDPJ preached the Japanese unarmed neutrality doctrine on the basis of Article 9. Even among the LDP members, there are some whose thinking differs from that of the so-called conservative mainstream, such as the "group to study issues of permanent UN Security Council membership" (Junichiro Koizumi, representative). On the occasion of dispatching PKO (peacekeeping operations) units to Cambodia while he was the minister of posts and telecommunications, Koizumi panicked over the possibility that civilian police officers might become casualties and stated, "we promised to work hard but not to shed blood." Then, Home Affairs Minister Murata had to fly to Cambodia and request UNTAC [UN Transitional Authority in Cambodia] Representative Akashi to "transfer the Self-Defense Forces (SDF) to a safe area." That was truly a shameful act for the world to see since military forces are dispatched to maintain order because the situation is unsafe. The agreement memorandum of the ruling tripartite coalition was probably drafted with this symptom, which might be called a "military allergy," as the underlying factor.

#### Constitutional Interpretations Should Change With Times

The interpretation of the Constitution should change with the times. In fact, the SDPJ's interpretation was completely changed overnight by Prime Minister Murayama.

During deliberations on the draft of the Constitution in the lower house plenary session, in response to the argument by Japan Communist Party's Sanzo Nosaka to differentiate between aggressive and defensive wars and "instead of renouncing wars, in general, we think it would be most fitting to renounce wars of aggression," Prime Minister Yoshida replied as follows:

"I think that it is harmful to recognize such acts (wars based on sovereign defense right). (Applause.) It is an obvious fact that many of the recent wars have been waged under the pretense of the sovereign right to defend one's country. Therefore, I think that the granting of recognition to the justifiable right of self-defense is the cause for accidental inducement of wars."

Subsequently, with the establishment of the police reserve force after the outbreak of the Korean war and participation in the United Nations, the interpretation of Article 9 changed as time passed.

The San Francisco Treaty (Article 5), concluded by Japan with Western nations at the time of the so-called "separate peace" (1952), stipulates that:

"The Allied Powers recognize that Japan, as a sovereign nation, has the inherent right of individual or collective self-defense mentioned in Article 51 of the UN Charter and the right to independently conclude a collective security agreement."

Subsequently, in 1956, a joint statement was issued when diplomatic relations were established between Japan and USSR. It stated that both Japan and USSR "affirm that the respective nations possess the inherent right of individual or collective self-defense mentioned in UN Charter Article 51."

Since Japan joined the United Nations that year, Japanese right to "individual or collective self-defense" was recognized not only by the United States and USSR but by all the participating nations. The aforementioned UN Charter Article 51 stipulates that:

"Nothing in the present Charter shall impair the inherent right of individual or collective self-defense if an armed attack occurs against a member of the United Nations, until the Security Council has taken the measures necessary to maintain international peace and security...."

As shown by the above statement, a "special position" in external affairs is not being forced in any way on Japan. There is a provision similar to Article 9 of the Japanese



Constitution in the Italian Constitution formulated in 1947, but Italy recognizes the use of force in self-defense as a proper action.

The reason why Japan is claiming a "special position" is that Japan, itself, is giving a special interpretation to the Constitution. The representative view of Japanese constitutional scholars is probably the following: "The Japanese Constitution does not disavow the existence of UN Forces or international police forces.... Since the Japanese Constitution prohibits the possession of any armament, Japan cannot fulfill the responsibility of contributing 'armed forces necessary to maintain international peace and security'" (Toshiyoshi Miyazawa, *Japanese Constitution, Revised Edition*, 1978).

#### **Appalling Reliance on Others**

The idea behind this is that Japan will depend on UN Forces, etc., to assure its security but Japan, itself, will not participate in any way to maintain international peace and order—a line of thinking calling for appalling reliance on others or one that is purely egocentric.

There are two reasons that this incredible line of thinking has prevailed. First, in the Cold War structure, Japan was included in the Western camp and the United States, the Western leader, was overwhelmingly powerful. The second reason was the existence of the SDPJ. The SDPJ thought that if the USSR or PRC invaded Japan, they could act in concert and establish a socialist regime. Also, to create a socialist revolution through its own power, it would be easier if the SDF, which are essentially Western troops, did not exist. This was the underlying basis of the SDPJ's unarmed neutrality stance, i.e., the pro-Soviet, anti-U.S. stand. Considering the existence of SDPJ as a godsend, Yoshida's conservative government was able to hold down military expenditures and surge ahead with economic reconstruction. This course of emphasizing economic revival over military armament was commonly called the "Yoshida Doctrine" but Shigeru Yoshida, himself, mentioned in his 1963 publication, "World and Japan," that when economic independence is attained, Japan will be scorned by friendly nations unless it possesses suitable military power and contributes internationally."

However, there are many Diet members in the so-called "dove faction" of the conservative party, who still cling to the Yoshida Doctrine, and think that it is wise to reduce military expenses, regardless of the international situation, and harbor an unreasonable military allergy. As a result of the end of the Cold War with the Western victory and the obvious failure of the Soviet-type socialism, the SDPJ lost its strategic footing in opposing the LDP. That is probably the backdrop to the coalition between the "dovish" LDP and the SDPJ. Rightists such as Shintaro Ishihara (Reimei-no-Kai [Dawn Club]), who clamor for anti-U.S. nationalism, probably supported the coalition with SDPJ because of agreement with the SDPJ on the one common point of anti-U.S. sentiment.

As the first item under the "Purposes of the United Nations," the UN Charter states, "to maintain international peace and security," and stipulates that, "to that end, to take effective collective measures for the prevention and removal of threats to the peace, and for the suppression of acts of aggression or other breaches of the peace, and to bring about by peaceful means, and in conformity with the principles of justice and international law, adjustment or settlement of international disputes or situations which might lead to a breach of the peace" (Article 1, paragraph 1).

In case international disputes arise, the UN Charter seeks peaceful means of solution (Article 33) in accordance with Chapter VI (Pacific Settlement of Disputes). However, in the event peaceful means of solution cannot be found, the Charter stipulates that measures, such as severance of diplomatic relations (Article 41), or even military actions (Article 42), will be taken in accordance with Chapter VII (Actions With Respect to Threats to the Peace, Breaches of the Peace, and Acts of Aggression).

Since it became a UN member, Japan must "fulfill in good faith the obligations assumed by them in accordance with the present Charter" (Article 2, paragraph 2). When applying for membership, the foreign minister issued a statement that "Japan assumes the responsibilities stipulated in the UN Charter and promises to carry out the responsibilities 'by all means at its disposal' from the day of entry into the United Nations." What does "by all means at our country's disposal" mean? Essentially, it means that Japan will join without any reservations whatsoever. For example, it means that Japan must cooperate fully with UN Forces in emergencies, such as the Korean war. If there are internal laws and regulations which prohibit cooperation, they should have been revised beforehand.

#### **Renunciation of War Will Not Preserve Peace**

The Antiwar Pact signed in Paris in 1928 renounces war and a section of that pact is cited in the Japanese Constitution. As a realistic problem, international peace cannot be preserved simply by renouncing war. The League of Nations collapsed feebly in the past because it did not have the means to apply sanctions against countries which violated the Antiwar Pact. The significance, if any, of the Antiwar Pact was that it branded aggressive acts as unlawful and proved the necessity of sanctions. If the newly born United Nations does not possess the means to apply sanctions against illegal acts, an antiwar treaty would merely end as a sermonic gesture. Also, the United Nations would probably suffer the same fate as the League of Nations.

The doctrine of the Japanese Constitution and the doctrine of the UN Charter are exactly alike. The purpose stated in the UN Charter was described earlier and the preamble to the Japanese Constitution, too, strongly supports the preservation of international peace through international cooperation. Careful consideration should



be given, in particular, to the following statements in the preamble: "We desire to occupy an honored place in an international society striving for the preservation of peace, and the banishment of tyranny and slavery, oppression, and intolerance for all time from the earth"; "We recognize that all peoples of the world have the right to live in peace, free from fear and want"; "We believe that no nation should ignore other nations by being responsible to itself alone."

If a nation invades another nation and the people of that nation are placed in a distressful state, their "right to live in peace, free from fear and want" must be reaffirmed and efforts must be made to restore their peace. The invasion of Kuwait by Iraq was certainly such an example. The multinational forces restored the Kuwaiti citizens' "right to live in peace."

The United Nations is now striving to "banish tyranny and slavery, and oppression and intolerance, created by aggressor nations for all time from the earth," and Japan can "occupy an honored place" only by participating in such activities. Japan prefers to believe that giving money is a worthy contribution, too, but whether the international society acknowledges that is another question. For the Gulf war, Japan gave \$13 billion in monetary aid, reported to be one-fourth of the war expenses. In spite of that, in THE WASHINGTON POST, Japan was not listed among the 30 countries to which Kuwait expressed appreciation. However, on 30 October 1991, the Kuwaiti ambassador to Japan traveled to Kure to express appreciation to the SDF minesweeper unit which had returned after completing a mission of over six months. As symbolized by the attitude of the Kuwaiti Government, it is evident that from the international standpoint, monetary aid alone is not considered a contribution to restoration of international order and only human contributions, especially contributions made at the risk of lives, are held most valuable.

#### **Participation in Sanctioning Actions Is Not Prohibited**

The Japanese Constitution does not prohibit participation in sanctioning actions based on the UN Charter. The Japanese Constitution renounces "war and the threat or use of force as a means of settling international disputes." "War as a means of settling international disputes" is a phrase taken from the 1928 Antiwar Pact and what is believed to be forbidden are wars of aggression and conquests. The international understanding is that wars conducted by sovereign nations to exercise their right of self-defense and wars conducted by the international society to apply sanctions are not categorized as "wars to settle international disputes."

Therefore, the UN Force, as in the Korean war, and the multinational forces, as in the Gulf war, were dispatched on the basis of UN resolutions.

However, the present government's interpretation of Article 9 is as follows:

"Based on international laws, Japan's possession of collective self-defense power is only proper as a sovereign nation. However, we think that the exercise of self-defense power permitted under Article 9 is limited to the minimal extent needed to defend Japan and we believe that the exercise of collective self-defense power will exceed that limitation and is not permitted by the Constitution."

In essence, the government's interpretation is that while it is proper for a sovereign nation to possess collective self-defense power, its use is not permitted by the Constitution. The right to possess but not to exercise is not basically a right. If the government's interpretation is followed, when a security treaty is concluded with another country, it would result in a one-sided obligation with the counterpart having to assist Japan but Japan not have to assist the counterpart. It means that it will be impossible to conclude a reciprocal treaty. What kind of demand is Japan making? It is saying that foreign countries have the duty to protect Japan but Japan does not have the duty to protect others. Is Japan so great that it can interpret its internal laws favorably and demand other countries to accept that?

There are two reasons that such self-centered interpretation came about. One was the existence of the SDPJ, the largest opposition party in the country, and this party did not recognize the Japan-U.S. Security Treaty or the SDF. As a result, the interpretation of the Constitution shifted constantly toward the SDPJ's view and the security treaty became a mere shell. The other reason was that the strength of superpower, the United States, was overwhelmingly powerful and the United States did not strongly protest the one-sidedness of the treaty.

#### **Execution of Collective Self-Defense Right Is a Policy Issue**

The UN Charter stipulates that collective self-defense is an "inherent right" of a nation. As long as the interpretation is given that the Japanese Constitution does not abandon the right of self-defense, the collective self-defense right must naturally be recognized in the interpretation. As to the manner of executing the self-defense right, whether it should be limited to only the individual right or whether it should be executed as a collective right through conclusion of security treaties with other nations is a policy issue and not a constitutional problem. The biggest mistake resulting from the government's interpretation was that a problem which should have been taken up as a policy matter was decided on the basis of the interpretation. The fact that Japan possesses the right of collective self-defense and the right to execute it should be clarified at this time through constitutional interpretation.

Japan is presently relying only on the one-sided Japan-U.S. Security Treaty as the bulwark of its national defense but in the future, a collective security setup, like NATO in Europe, might be established in Asia. At one time, the SDPJ proposed an Asian security setup,



including PRC and USSR. Do they think that, if that happens, the argument will be accepted that all of the participating countries have an obligation to assist Japan but Japan does not have the duty to assist others? Collective self-defense right and collective security organizations are indispensable in implementing arms reduction. If the UN collective security mechanism had not functioned, Iraq's neighboring countries would probably be engaged, at present, in frantic military expansion.

The Murayama regime calls itself the "dovish government" and the "Goken Seiken" [protect-the-Constitution government] but if attacked from the outside, the threat cannot be dispelled by simply raising the banner to preserve the Constitution. In the triparty ruling coalition's memo on constitutionality, arms control and arms reduction are mentioned under the second point but arms reduction can be carried out unilaterally without corresponding actions by counterparts.

The Murayama government is trying to reduce defense expenditures haphazardly, irregardless of the international situation, and an analysis of the international situation to justify that has not been revealed. As a basic policy adopted at its special general meeting held in September, the SDPJ stated, "the demilitarization doctrine will be highly touted." Secretary General Kubo claimed that, "we have reached the stage when we can seek demilitarization." The termination of the Cold War, with the hidden threat of a Third World War, is an event to be celebrated. However, did this welcome event come about because of the "protect-the-Constitution" banner raised by the SDPJ and LDP's "dovish faction"? If that is so, the policy of preserving the Constitution was significant but was that truly the case?

When the Soviet Union invaded Afghanistan in late 1979, the NATO Council opposed the Soviets and proposed the military expansion course of augmenting conventional weaponry and positioning intermediate-range missiles in Europe. It was a strategy based on the assumption that the Soviet economy would collapse in five years if they kept up the rivalry in military expansion and the Soviet side would call for arms reduction.

This strategy was called the "two-track policy" because it pursued the contradictory objectives of military expansion and arms reduction. At the time, I was stationed in Geneva and knew that the view was also prevalent that "military expansion is dangerous like gambling." However, Western leaders unanimously pursued this military expansion course from the early 1980's. Thomas Reed, former secretary of Air Force who also served as a member of the National Security Council, predicted in 1982 that, "If the Western side increases military expenditures by 4 percent annually, the Soviet military expenses will climb to 20 percent of the GNP in 1991 and the Soviet Union will collapse." The situation developed as hoped for by the Western camp. General Secretary Gorbachev emerged in 1985 and at the Reykjavik meeting with President Reagan in 1986, proposed the

historic "abolition of medium-range nuclear missiles." Internally, he searched for an economic reconstruction course through perestroika but the timing was too late and, as predicted by Reed, the Soviet Union collapsed in December 1991.

During this period of Western military expansion, the Japanese Government was led by Yasuhiro Nakasone. Prime Minister Nakasone championed the role of a "Western camp member," and lent a helping hand to the Western strategy by accomplishing, one after another, such actions as restoring Japan-ROK relations, presenting military technology to the United States, eliminating the 1-percent limit on defense expenses, etc. The current satisfactory state of affairs resulted from the "two-track policy" pursued by uniting with the Western camp. At the time, the SDPJ and LDP's dovish faction were only trying to frustrate Nakasone.

#### **Military Power Enabled Arms Reduction**

Peace is not secured by prayerful pleas for "arms reduction" or "peace."

It is overwhelming military power. The collapse of the socially imperialistic Soviet Union and international arms reduction were made possible by the military power of the unified Western camp. The overwhelming military strength of the multinational forces restored peace in Kuwait from Saddam Husayn's aggression. The absurd argument over whether the SDF to be dispatched to assist Rwandan refugees should be armed with a single machine gun arose because the importance of military power was not appreciated. The SDF was being dispatched to Rwanda in response to the UN request. The deterrent power is effective only with overwhelming armament.

This is not to say that military power is omnipotent. It is preferable to make military power less dominant and its use less frequent. If a country projects itself through military strength, the neighboring countries will augment their military power in fear of the threat. To end such a vicious cycle, collective self-defense power and the UN security setup become necessary. The other question is who can internationally outlaw aggressions and apply sanctions?

The world which was maintained by the U.S.-Soviet power balance has collapsed and the United Nations has emerged as the new arbiter. UN Secretary General [Boutros-Ghali] has proposed a UN "peace enforcement force" and aside from the United Nations, there is probably no other organization to take the leading role in maintaining the new international order.

However, there are various discrepancies and defects in the current UN Charter and organization. It is only natural that international views have heightened to reform the United Nations next year on the occasion of the 50th anniversary of the UN founding.



In the current UN Charter, Chapter VI seeks "peaceful settlement" of disputes and Chapter VII stipulates the "military sanctions." However, Chapter VI is not effective for conflicts erupting in Cambodia, Sarajevo, Somalia, and Rwanda while the UN Force mentioned in Chapter VII has not been organized yet. Therefore, the United Nations has established peacekeeping operations which might be called the midway chapter (6.5) between Chapters VI and VII. PKO units have been dispatched to areas of conflicts in the world on over 30 occasions since the 1950's and have been highly recognized internationally with the award of even the Nobel Peace Prize. However, as mentioned earlier, the UN Charter does not contain a basic provision concerning the PKO. Therefore, it cannot be denied that various UN resolutions concerning the PKO have lacked a consistency in their application to different situations. Meanwhile, recent disputes have diversified into regional conflicts, ethnic confrontations, religious wars, etc. It is difficult to set uniform criteria amidst such diversification but above all, it is essential to legalize PKO as a function within the UN collective security mechanism. In formulating the PKO Law in Japan, one of the reasons that public opinion was divided and only a halfhearted law was established was the inadequacy of the UN Charter on which reliance had been placed.

Probably, the basic points of the PKO should be: 1) based on agreement among concerned nations; 2) not intended as a military sanction; 3) will not interfere arbitrarily in internal affairs of other nations; 4) function when humanitarian aid is necessary because of large-scale massacre and famine caused by an anarchic state with the collapse of the nation's government; 5) international sanctions will be imposed against those who obstruct PKO activities; and 6) the lives and personal safety of PKO members will be guaranteed internationally.

The enemy clause in the UN Charter, specifying Japan as an enemy country, must naturally be eliminated.

The United Nations and the international situation have changed drastically since Japan joined the United Nations in 1956. Japan's share of UN ordinary budget has increased from 1.97 percent in 1957 to 12.25 percent, at present, and is second to the United States (25 percent). This will increase to 15.65 percent in 1997.

#### **Become an Active Creator of Peace**

Japan is a great power holding 15 percent of the world GNP. Japan was able to become such a great power because the world was at peace. For Japan to continue its prosperity, peace is indispensable. Until now, Japan enjoyed the benefits of peace attained through efforts of other countries, but now it must become an active participant in the creation of peace. In response to the new international situation, FRG changed its interpretation of the Constitution to permit the dispatch of troops to regions outside of NATO jurisdiction.

Japan's ODA [Official Development Assistance] contribution is the world's largest. Japan is preparing to aggressively tackle global issues, including environmental and AIDS problems, but the precondition is peace. The egocentric policy of not shedding even a drop of one's blood will not only bring about the moral decline of the nation but arouse the antagonism of other countries.

Becoming a permanent member of the Security Council and making military contributions are separate issues. The interpretation of the Constitution is a policy matter and does not remain the same forever. Nevertheless, Japan wants to impose conditions for gaining a permanent seat on the Security Council. Japan should not commit the folly of freezing its future position and immobilizing itself.

#### **\* Government Decision To Seek UNSC Seat**

952B0030A Tokyo SENTAKU in Japanese Oct 94 pp 60-63

[Unattributed article: "Behind the Scene of Seeking Permanent Seat on UN Security Council: Murayama Alone Was Making Breakthrough"]

[FBIS Translated Text] Hiromu Nonaka, appointed minister of home affairs and director of the National Public Safety Commission. They say none surpass this man in today's political circles in information-gathering capability. During the eight months that the Liberal Democratic Party [LDP] was in opposition, Nonaka collected reports on Soka Gakkai and scandals of Shinseito Secretary General Ichiro Ozawa and then Prime Minister Hosokawa, undercutting the ruling parties. Now, as director of the National Public Safety Commission, he stands at the pinnacle of the nationwide police structure. He is the man most feared by an opposition-party camp moving to form a new-new party.

When he was a Takeshita faction member, Nonaka had close ties with Shin Kanemaru and Ozawa. It was his awesome information-gathering ability that Ozawa distanced himself away from Nonaka. One day Nonaka gave Ozawa this warning: "Mr. Ozawa, you may think no one has noticed, but you had better go incognito to Kyoto. And, it would be best if you quit walking in the Sento district in an informal cotton kimono with geisha. Reports about Kyoto's pleasure quarters go through private businessmen to the Communist Party."

Ozawa was distancing himself from Nonaka starting the next day.

It was on 13 September that this Nonaka sounded off at a cabinet members roundtable discussion on the issue of taking a permanent seat on the UN Security Council [UNSC].

"Did the Ministry of Foreign Affairs [MOFA] make up UN Secretary General Boutros-Ghali schedule for his Japan visit? The list of people he is to meet is very



arbitrary. He met former prime ministers like Kaifu, Nakasone, Hata, and Hosokawa before seeing Prime Minister Moriヤマ. All are those who favor becoming a permanent UNSC member. If he was to meet former prime ministers, why didn't he meet Miyazawa and Takeshita? And, why did he see Ikeda, the Soka Gakkai president emeritus before he met the prime minister?"

Foreign Minister Kono winced and explained, "I also thought it strange and asked the officials involved about it, but...." Even Kono had not known in advance about this schedule.

#### **Most Troubled Was Kono**

Back at MOFA, Kono immediately sought an explanation from Parliamentary Vice Minister Saito. Saito apologized, saying, "It's all my fault." Yet, Saito in fact had not known about it, either.

The government party side suspected that MOFA was trying to create an atmosphere through having Secretary General Boutros-Ghali first meet proponents of a permanent UNSC seat.

However, the truth was something quite simple. It was merely that, because Boutros-Ghali's arrival was advanced by one day and his schedule was blank for that day, the officials involved merely moved up the meetings for those who should normally have met Boutros-Ghali after Prime Minister Murayama.

But sometimes a simple matter can complicate things profoundly. The ruling parties, including Prime Minister Murayama began tilting toward permanent UNSC membership, and the political world as a whole had been shifting toward a positive stance from the past bipolarity of cautious and positive positions. One can only conceive that behind the inattentiveness of those charged with the scheduling lay a conceit of MOFA officials: that if they took it this far there would be no stepping back.

"I cannot accept this draft for my UN speech. There is never a "subject" to the speeches you fellows write. It doesn't purvey who is trying to do what. Why isn't the subject of "Japan" included?"

In early August, the Executive Office of MOFA had presented an initial draft of the speech for Kono to make on 27 September at the UN General Assembly. Kono was dissatisfied with its substance and ordered it to do a total rewrite. That was the first experience for the Executive Office of MOFA to be ordered to completely rewrite its draft of a foreign minister's speech.

It was MOFA that took most seriously the birth of the Murayama administration. With a secretary general of Social Democratic Party of Japan [SDPJ] becoming prime minister, what would become of Japan's diplomacy, built so far on incremental efforts with such issues as PKO [peacekeeping operations] and UNSC membership? Would Japan-U.S. relations go as they had in the past?

It was the kickoff of a new regime which the Ministry of Finance could not welcome, either; however, the Ministry of Finance, where skill in relations with politicians is a bit superior, immediately shifted gears and tried to win the favor of Prime Minister Murayama and Finance Minister Takemura from the day the administration began. MOFA, long ridiculed as "the lady in waiting," does not have that much shrewdness.

On top of that, "Foreign Minister Kono" surely could not be called a desirable bureaucratic appointment for MOFA. Kono is one of a few foreign policy experts, having served in such positions as chairman of the LDP Foreign Affairs Research Council. Yet, his relations with MOFA could never have been termed good. When Kono was chief cabinet secretary, MOFA and Prime Minister's Office clashed over dispatching PKO to Mozambique.

The parliamentary vice minister for foreign affairs at the time was Koji Kakizawa. He was a close friend when they once were in the Shinjiyu Club [New Liberal Club] but after that became estranged. Just as MOFA had insisted, Kakizawa had strongly pushed for sending Self-Defense Forces to Mozambique. MOFA totally supported this and boxed Kono in over it.

Since then, Kono has been showing his displeasure with MOFA, complaining its high-handedness. He has openly shown his displeasure with the attitude of MOFA bureaucrats who as much as say that what is right is absolutely right and politicians who do not understand that are not qualified to be politicians.

Then in comes this Kono as deputy prime minister/foreign minister. The sense of crisis of MOFA was more than may be imagined. Besides, the Murayama administration is waving the "dovish, liberal, and pro-Constitution" banner. While calling himself president of the LDP, Kono himself was as dovish a politician as Murayama and Takemura, or even more so. "What in the world will become of Japanese diplomacy!" MOFA bureaucrats were keenly concerned and kept their eyes riveted on Kono's every move.

#### **Bold Decision Made by Murayama**

Kono himself was troubled.

Having assumed the post of foreign minister, the one with highest responsibility for Japanese diplomacy, he could not greatly alter the course taken so far. Yet, as a politician, he wanted to avoid giving an impression that he has changed.

While listening to MOFA staff coming in one after another to make their presentations, Kono was thinking things over on his own.

Meanwhile, Junichiro Koizumi and Shusei Tanaka, opponents, who have set up a study group, "Group to study issues of permanent UNSC membership," were also having problem of fininding a compromising point.



Even if he should make opposing arguments, it was difficult to stop the very act of voting for Japan's becoming a permanent member. Above all, as the ruling party it must make a realistic response.

Murayama alone was making a breakthrough. When he made the decision that "the Self-Defense Forces are constitutional," he was actually deciding the direction of all diplomatic and security policies.

"Some say that it's outrageous to have changed course without spending adequate time on a full-scale policy debate, but if I'd had the time I couldn't have made such a decision. The vote designating the premier and starting up the cabinet. With those things, especially since it was a situation where I was driven to choose, such a decision was possible," says Murayama.

Murayama's awesomeness lies in the boldness of that decision. Contrary to the mildness of his expression, he instinctively senses the time for a showdown and displays a resolve that surprises everyone. Rather than speaking of a bold series of policy switches, they should be called a "conversion," but if Murayama's nature were more cautious, he might have been unable to make such a decision.

Of course, he has absolutely no diplomatic experience. It is hard to say whether he even truly understands the weight of a prime minister's decisions. Yet, having been in the socialist-labor zoku and a Diet policy committee chairman, he is used to dealing with the LDP behind the scenes. Perhaps cultivated around that time, his political horse sense is quite sharp.

"Since I've become prime minister, I have no choice. If I didn't like that, I could never take power," Murayama declared just before deciding on the constitutionality of the Self-Defense Forces. It is unmistakably an apostasy. Without apostasy, the *raison d'être* of SDPJ would disappear.

No, instead it may be proper to see the SDPJ as having died the moment Murayama took office as prime minister. If one contrasts the actions and policies of the old SDPJ to the present Murayama regime, it is impossible to find any logical conformity between them.

For that very reason, it is an apostasy.

Nevertheless, considered in the broad view of Japanese politics, it is not so much so that there is no room for any justification. It must have been difficult for the SDPJ itself to change in this way without its being physically boxed in. It is probably that the SDPJ itself, unconsciously, had been waiting for a chance of such a turnaround.

The thing most making one sense the SDPJ's apostasy was the dispatch of the Self-Defense Forces to aid the Rwandan refugees. The one who flew into Zaire as head of the on-site survey team was Sukio Iwatare, once the SDPJ's foremost opponent of the draft law on PKO.

Iwatare proposed to Murayama the dispatch of the Self-Defense Forces and, after making his own on-site survey, went so far as to decide to accept their taking machine guns, saying "I cannot say they ought not take machine guns."

It was not the LDP alone saying, "That from Iwatare!" he became popular within the SDPJ. Discontent is smoldering in part of the leftwing faction, but with even Iwatare having defected, their morale is not rising. LDP Diet members involved in defense comment that the way was opened up the moment the decision was made to despatch Iwatare.

#### Without Public Consensus

In politics this sort of thing often occurs. Making the most hardline opponent, rather than an advocate, the responsible party produces a far greater result. With Murayama having become prime minister, the SDPJ veered around as a body. By Iwatare having gone off there, not only were Self-Defense Forces sent but approval was even given to their taking machine guns.

On the UNSC permanent membership issue, too, although he made the decision, Murayama, who had been saying he would vote for it only not so eagerly, stiffened his phrasing little by little and finally went so far as to say openly that he wishes to lend his name to it with attaching conditions.

Kono could not change direction so easily as Murayama did. He attached much weight to conformity within himself.

"Becoming a permanent UNSC member nation, we will give our views as the only atom-bombed nation. As a nation having a peace Constitution, our participation in deciding on the will of the UNSC become a very significant thing. If Japan does not join in the decisions—that is, if we do not become a permanent UNSC member nation—we will be unable to have Japan's opinions reflected in all important decisions."

Kono was trying to make his own adjustment with such evolution in his logic. He deleted from his UN speech draft the expression "getting a national consensus." It is feared that, if this expression had remained, there would be a rebuttal in the Diet that "you haven't gotten a national consensus." And, "since whether consensus is obtained or not is purely Japan's internal matter, there is no need to state it before other nations."

Taking his time, Kono also was gradually adjusting course. Just before departing for the UN General Assembly, he had changed even to the extent of declaring, "there's no need to go out of our way to say such things as that we don't want the veto power."

However, the whole debate on the UNSC issue would have validity only within Japan. Such an argument as that PKO [peacekeeping operations] are all right, but



participation in PKF [peacekeeping forces] are impossible is oddball stuff the world simply does not grasp.

Whenever Japanese politicians visit the United Nations, they win scorn by asking the question, "What do you think of Japan's participation in PKF?" Since PKF are the peacekeeping units constituted as needed pursuant to PKO, there is no way to discuss them apart from PKO.

In all documents relating to the United Nations, there is no clear conceptual definition of PKF. In short, in Japan we have the oddity of fighting and splitting national opinion over the propriety of something that is as good as nonexistent.

It is the same with taking machine guns. Having them take just small arms is nothing but a debate on whether we will put prior restraints on their use. Once having decided to send the Self-Defense Forces, what we next should consider is how to secure their safety.

To keep Self-Defense Forces safe, we should let them take not just one machine gun but any number needed. There is scarcely any debate on "whether one machine gun would suffice."

This is very unfortunate for the Self-Defense Forces, which are pushed around in domestic political debates with each change of administration.

#### **SDPJ Has Responsibility for "Great Turnaround"**

Because of the SDPJ having swung around on its diplomatic and security policies, the rightwing and leftwing fences no longer exist in Japanese political sector. What is being created in their place are new factions that make human networks their axis.

Specifically, two groups, a Murayama faction and a Kubo faction, are coming into being. The two men had belonged to a faction of the rightwing called the "power concepts study club." However, out of the complexities over emergence of Murayama chairman, the pattern was created of a leftwing backing Murayama and the rightwing backing Kubo. The group supporting Murayama has split off as the "Murayama seiken o sasae, shamin riberaru seiji o susumeru kai" [Society to support the Murayama regime and promote a SDPJ-DSP [Democratic Socialist Party]-led government] (Sekisuke Nakanishi, chairman), while the group supporting Kubo is the "Shin Minshu Rengo" [new democratic alliance] (Sadao Yamahana, chairman).

There is almost no difference between the two in policy or line. If there is a difference, it is that the Murayama group is close to the LDP while the Kubo group is close to the former coalition ruling parties that are moving to create a new-new party.

With the socialist party's great turnaround, Japan's political world has totally lost its axis of confrontation. Just from hearing their policies or debates, it is hard to distinguish which party it is or whether it is a ruling party's argument or an opposition party's.

What sustains the ruling and opposition party design are solely their "comments" on a politician called Ichiro Ozawa and individual politicians' opinions on how they will be elected in the next general elections to be conducted under the newly introduced single-seat constituency system.

If the political world becomes set under the framework of the present ruling and opposition parties without the debate of the confrontational axis, it would be no great crime for Japan's future.

The thing that created the opportunity for that was the SDPJ's great turnaround, and to that extent the SDPJ has a responsibility to tell the public what it intends to do for Japan henceforth.

It would be dreadful if a political world having become so flaccid were, for merely occasional political situations, to set Japan's main course on into the 21st century. The ones paying for that would be the next generation which will know of the 1955 setup only as one act in history's drama.

#### **Osaka Firms Asked To Donate Money for APEC**

*OW2812113894 Tokyo KYODO in English 1033 GMT  
28 Dec 94*

[FBIS Transcribed Text] Osaka, Dec. 28 KYODO—The Osaka Prefectural Government has asked private companies to donate 600 million yen for an informal summit meeting of the Asia-Pacific Economic Cooperation (APEC) in Osaka next November, local business sources said Wednesday [28 December].

Some business leaders, calling the burden-sharing request an "extremely unusual move," are complaining that the cost of the international meeting should be borne by central and local governments.

But the sources said the local business circle will be forced to accept the request eventually, referring to a combined 10 million yen in donations to a conference of APEC ministers in charge of smaller firms held in Osaka in October.

The amount, which accounts for one-third of the roughly 1.8 billion yen for logistics and public relations, was proposed by the local government to leaders of major industry organizations, including the Osaka Chamber of Commerce and Industry, they said.

The central government has earmarked 4.2 billion yen to sponsor the APEC meeting in its budget draft for fiscal 1995 from April 1, which is subject to debate in the Diet.

Japan is to host the eighth APEC annual meeting, to be attended by leaders from the 18 member countries and regions, including the United States and China, to discuss trade and investment in the region.



### **Russia To Delay Debt Repayments to Japanese Firms**

*OW2812130394 Tokyo KYODO in English 1221 GMT  
28 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 28 KYODO—Russia has told Japanese companies it has to defer repayments of commercial debts worth about 1 billion dollars because parliament turned down a government fiscal program, the companies said Wednesday [28 December].

The notification was made to 13 Japanese companies, including major trading house Mitsubishi Corp., they said.

Moscow earlier pledged it will take over 1 billion dollars worth of commercial debts owed to Japanese firms by the former Soviet Union and present to them its terms for repayment by the end of this year, they said.

The Russian Government is apparently required to give priority to measures to quell rebellion by independence-seeking Chechnya, the companies said.

They said negotiations between Russia and the creditors scheduled for early next year will have to be postponed.

### **Government's New Budget Compilation Method**

*OW2612130294 Tokyo NIHON KEIZAI SHIMBUN in  
Japanese 19 Dec 94 Morning Edition p 3*

[FBIS Translated Text] Ministerial-level negotiations on fiscal 1995 budget held prior to the Finance Ministry's announcement of a draft budget reached the climax on 18 December. The prior negotiations among ministers had been proposed by the Murayama cabinet as a new budget compilation method. In an attempt to give the impression that politicians are taking the initiative in compiling the budget, the government held the negotiations on important budget items at the prime minister's official residence, not at the Finance Ministry building as the previous governments did. However, during the negotiations cabinet ministers only confirmed the budget plans which each ministry's bureaucrats had worked out together with the Finance Ministry. Thus, it is hard to say that the prior negotiations made a fresh impression. The negotiations will inevitably be criticized as the "same performance on a different stage."

The talks between ministers ended in 15 to 20 minutes, as planned. They did not go into details of what policies the government should adopt and how the budget should be allocated. Also, there were no arguments between Finance Minister Masayoshi Takemura and other cabinet members. They had to renegotiate defense spending because they failed to reach an accord at the beginning. Some people see "political consideration" in the event, believing that, by renegotiating defense spending the government tried to avert a possible criticism that budget negotiations are promoted in accordance with a

prepared "scenario" and that the government's assertion that "politicians are taking the initiative" is untrue.

The talks between Takemura and Tsuruo Yamaguchi, director general of the Management and Coordination Agency, over administrative reform were typical of nominal negotiations. Although they agreed during the talks on a plan to drastically cut the number of government officials, the plan had been decided on beforehand. It is stipulated in administrative reform guidelines adopted on 8 December by the ruling coalition's administrative reform project team. By that date, an agreement had been reached on the plan among Liberal Democratic Party Diet member Yukio Ikeda, who is a main figure in the project team and a former Finance Ministry official, the Finance Ministry, and the Management and Coordination Agency through behind-the-scenes negotiations. Takemura and Yamaguchi only performed as though the plan was launched and agreed upon during the 18 December talks.

The new budget compilation method was devised following a cabinet proposal noting: "The cabinet, not the Finance Ministry, should take the initiative in compiling budget, with Prime Minister Tomiichi Murayama playing a major role in it." However, when it came to actual execution of the new method, some ministers demanded "the prior negotiations be held on weekdays." As such, it was hard to coordinate their schedules for the negotiations. Because of this, a question was raised as to whether or not politicians were really serious about reviewing the current budget compilation work led by the Finance Ministry.

Except for the draft budget plans for local governments worked out by the Finance Ministry, cabinet members only negotiated earlier than usual the budget items on which they normally negotiate when they seek reinstatement of their budget requests after a draft budget is announced. Many people are critical of the revived budget negotiations, saying they are merely "nominal" because they are held based on a prepared scenario. However, this year the government has settled many budgetary issues in the prior negotiations, thus matters to be discussed in revived budget negotiations are virtually non-existent. Nonetheless, it can be said the new budget compilation method aimed at realizing "politicians-led" budget compilation has ironically confirmed the fact that budget compilation work has become merely nominal.

### **Murayama To Push Economic Reforms as Priority**

*OW2712030994 Tokyo KYODO in English 0301 GMT  
27 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 27 KYODO—Prime Minister Tomiichi Murayama told a government panel Tuesday [27 December] that his administration will push economic reforms as a priority, government officials said.



Murayama, head of the panel for working out policies to prevent Japan's deindustrialization and to promote employment, convened its first meeting at the prime minister's official residence.

Murayama told the meeting that the priority task for his government is to revitalize the Japanese economy, which faces fears of deindustrialization in the medium term, the officials said.

The yen's surge on the foreign exchange market has raised domestic production costs and caused an increasing number of companies to move their production plants from Japan to overseas. The moves have eroded Japanese employment.

The proposed economic reforms focus on reducing Japanese prices to the international level, expanding new economic sectors such as data telecommunications, and promoting employment.

The officials said Murayama, in announcing policy guidelines of his government at the beginning of 1995, will stress economic reforms.

#### **Panel Calls For Promotion of Economic Deregulation**

*OW2612121794 Tokyo KYODO in English 1208 GMT 26 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 26 KYODO—A subcommittee of a governmental advisory organ urged the Japanese Government Monday [26 December] to promote economic deregulation to revitalize the domestic economy battered by the prolonged recession.

The Economy Reactivation Committee of the Economic Council, an advisory organ to the prime minister, said in a report that deregulation is vital for the revitalization of the economy.

The report also called for government support for smooth transformation of domestic industry to create job opportunities and stabilize the labor market.

The document cited the multimedia telecommunications industry as a potential growth area resulting from deregulation.

The report expressed concern that industrial restructuring following the bursting of "bubble economy" and growing expansion overseas by Japanese manufacturers to overcome the yen's appreciation may cause the hollowing out of industry at home.

It called for capital investment for the improvement of the social infrastructure and consolidation of the employment environment matching Japan's aging society as well as the development of the market-oriented agricultural industry.

The report said deregulation will result in cost reductions in distribution and energy-related industries such as electric and gas utilities.

#### **NLA Panel's Recommendations for Deregulation**

*OW2812102994 Tokyo KYODO in English 0859 GMT 28 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 28 KYODO—A National Land Agency [NLA] panel Wednesday [28 December] urged the expedition of deregulation and decentralization to counter the growing flight of industrial production overseas, under pressure from the higher yen, and the hollowing out of the Japanese economy.

The agency's council dealing with basic problems of national development came up with the recommendation, along with a string of other related suggestions, in a report released to the press Wednesday.

The panel is led by Yasushi Kasai, chief of the Japan Economic Research Center, a think tank affiliated with the Finance Ministry.

The report will be submitted to another high-caliber government council commissioned to sketch out guidelines for national development in tandem with the rapidly-changing global economic environment, starting in mid-January, agency officials said.

The report urged Japanese leaders to place greater emphasis on bolstering the quality of living of citizens, rather than pursuing qualitative expansion as a result of industrial development.

It urged national planners to improve the economic environment and conditions that would help pare down large discrepancies in the prices of manufactured goods between Japan and foreign nations, while creating new fields of business to activate the economy.

Japan should seek to whittle down its air fares, highway tolls and telecommunications costs, which are now calculated chiefly in terms of the distances involved in such services, it said.

The report also proposed expanding transportation links such as highways and railways which tie airports and ports with residential areas.

It recommended stepping up the construction of new fields of social infrastructure such as highly computerized information networks.

It also calls for institutionalizing a new system whereby the government, businesses and citizens jointly shoulder the cost of preserving the nation's natural environment and historical assets.

The government should release relevant information in the process of sketching out national development programs, it said.

The report urged measures to improve the image of Japan in the eyes of non-Japanese such as expediting the participation of foreign residents in local-level public administration.



### **Murayama Reiterates Support For Deregulation**

*OW2712132794 Tokyo KYODO in English 1137 GMT  
27 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 27 KYODO—Prime Minister Tomiichi Murayama vowed Tuesday [27 December] his government will push ahead with economic deregulation, saying his cabinet's survival hinges on its success, officials said.

Murayama made the remark in a meeting Tuesday afternoon with Shoichiro Toyoda, chairman of the powerful Federation of Economic Organizations (Keidanren), the officials said.

Toyoda called on Murayama at the Prime Minister's Official Residence and handed him an appeal for the promotion of deregulation, they said.

"Deregulation has to be promoted. In a sense, the destiny of my cabinet depends on it," Murayama was quoted as saying.

Toyoda appealed to Murayama for all-out efforts to promote deregulation, which is the last remaining issue to be solved following the completion of tax reforms, they said.

Murayama said the people will benefit from decontrols because they will bring about a price decline at a time when there is little possibility of substantial salary increases, they said.

The appeal called on the government to take into account the outcome of a private study group on deregulation when it formulates a five-year program for liberalization, they said.

### **Import Rules Top Deregulation Request List**

*OW2812100094 Tokyo KYODO in English 0854 GMT  
28 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 28 KYODO—Import regulations and mandatory standard certifications top the list of deregulation requests made by 165 domestic and foreign entities, the government said Wednesday [28 December].

Of the 1,879 requests, 331 are related to import regulations and standard certifications required for sale, according to the list compiled by the Management and Coordination Agency and the councillor's office on internal affairs at the prime minister's office.

Among them are those calling for accepting foreign test data in issuing standard certifications for autos and auto parts and for relaxing regulations on foreign horses to allow them to participate freely in Japanese races.

Regulations on housing construction and land utilization are also high on the list with 294 rules targeted.

The list is based on requests submitted between late September and early December from the 165 entities, including the U.S. Government and some other foreign governments.

A government committee set up to review government regulations will use the list in compiling a five-year deregulation program to be mapped out by late March.

Among other areas targeted in the requests are:

- Regulations on large retailers that limit annual opening days and daily opening hours.
- Regulations on telecommunication service fees.
- Licensing procedures for cellular phone operators.
- Regulations on the issuance of corporate bonds.

### **MITI To Liberalize Export of Petroleum Products**

*OW2812125694 Tokyo NIHON KEIZAI SHIMBUN in  
Japanese 24 Dec 94 Morning Edition p 3*

[FBIS Translated Text] The Ministry of International Trade and Industry [MITI] has decided to liberalize, in principle, the export of petroleum products, including gasoline, starting in April 1996. MITI will abolish a system designed to keep an eye on prices of export goods. There is a strong possibility that in a few years, Asian countries, because of their growing domestic demand for such products, may turn into countries that import large quantities of gasoline and other petroleum products. On the other hand, petroleum refineries in Japan are capable of greater production than what the nation needs. Currently, Japan is exporting a little less than 60 percent of the petroleum products that it imports. [sentence as published] In believing that "Japanese gasoline will be competitive in terms of price if we use idle facilities" (according to the Agency of Natural Resources and Energy), MITI made this decision to support Japanese petroleum refineries. It is also aimed at combating the inadequate supply of petroleum products in Asia.

It is necessary to obtain approval from the MITI minister to export petroleum products on the basis of the Foreign Exchange and Foreign Trade Control Laws. When they export petroleum products, exporters are required to apply to MITI for approval by stating the names of the importers and the quantity and cost of the goods. As for the cost, MITI plans to relieve exporters from the obligation of reporting the prices of the products to be exported. In finalizing concrete plans by the fall of 1995, MITI plans to revise the relevant government and ministerial ordinances.

European and the U.S. Governments also control the export of petroleum products because these are strategic goods indispensable to daily life. MITI will not change the approval system itself and will continue to hold the power to ban exports of petroleum products during emergencies such as war and disasters. However, MITI will liberalize the export of petroleum products under normal conditions by abolishing the requirement regarding their prices. This will be the first time since the



end of World War II that export regulations on petroleum products will have been eased.

Because the provisional law for the import of specific petroleum products will expire at the end of 1996, MITI approved a plan to allow a wide variety of companies to make inroads in the field of importing petroleum products. Because of this, petroleum companies and trading firms were strongly calling for the easing of export regulations.

Japan exported 15.4 million liters of petroleum products in 1993. Following the increased demand in Asia for petroleum products, Japan's exports in this field have already increased. It seems that the consumption of petroleum products [in Asia] will continue to increase. There is a growing view that "Asia's capability to produce petroleum products after 2000 will not catch up with the demand" (according to the Japan Energy and Economic Research Institute).

About 10 percent of Japanese petroleum companies' refineries are currently idle. MITI believes that "we can make our refining costs considerably lower than those of Asian countries which plan to construct refineries if we use our idle facilities" (according to the Oil Department of the Agency of Natural Resources and Energy). Japan's petroleum refineries and petroleum companies, which are lagging behind foreign companies in making inroads on the international market, plan to promote their internationalization by using this chance as a springboard for expanding their exports of gasoline and other petroleum products.

#### **MOF, Brokerage Industry To Ease Stock Listing Curbs**

*OW2612132594 Tokyo KYODO in English 1250 GMT 26 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 26 KYODO—The Finance Ministry [MOF] and the securities industry have moved to ease regulations on stock listing to facilitate fund raising by enterprises with high growth potential, industry sources said Monday [26 December].

Specifically, the sources said a second over-the-counter (OTC) market will be established for research and development-oriented venture businesses to help them raise necessary funds.

Establishment of a second OTC market primarily for venture businesses has already been proposed by the Industrial Structure Council, an advisory organ at the Ministry of International Trade and Industry.

The proposal was supported by the business community.

The sources said the Japan Securities Dealers Association plans to come up with concrete measures for the establishment of a new OTC market, including listing rules, around June next year.

The association will also help investors understand that although these venture businesses will have high growth potential there are high investment risks at the same time, they said.

In a related development, the Tokyo Stock Exchange will remove restrictions on new stock listing, now limited to three to five per week, effective next April.

#### **MOF To Ease Curbs on OTC Stock Listing in Apr**

*OW2712102494 Tokyo KYODO in English 0958 GMT 27 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 27 KYODO—The Finance Ministry announced Tuesday [27 December] it will ease regulations on over-the-counter (OTC) stock listing in April to facilitate fund-raising by enterprises with high growth potential.

Specifically, it will lift restrictions on new stock listings, currently limited to three to five per week, effective April 1, the ministry said.

It will also introduce preferential listing standards for research and development-oriented or knowledge-intensive new businesses, while taking into consideration the protection of investors, it said.

To work out details such as the coverage of businesses and specific preferential measures, the ministry will set up a study group within the Japan Securities Dealers Association for immediate discussions to reach a conclusion around June, it said.

The study group, comprised of association members, will have a chance to hear opinions from various circles concerned, including the Ministry of International Trade and Industry and venture businesses, it said.

#### **Investment Firms To Sell Funds Directly**

*OW2312060094 Tokyo KYODO in English 0452 GMT 23 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 23 KYODO—The investment trust fund management companies formed by Japan's "big four" brokerages plan to sell their funds directly to corporate investors, starting next January or February, company officials said Friday [23 December].

The move follows the Finance Ministry's decision to relax rules on investment trust funds and the lead taken by investment trust fund management companies set up by banks.

The four companies—Nomura Investment Trust and Management Co., Daiwa Investment Trust and Management Co., Nikko Investment Trust and Management Co. and Yamaichi Investment Trust and Management Co.—have so far sold their funds through their namesake parent brokerage houses.



The officials said they expect the direct sale to allow the investment trust fund management companies to keep themselves better abreast of investors' needs to develop new products.

All the companies will continue to sell their funds via their parent brokerage houses to individual investors, they said.

#### **Transport Ministry To Work on Deregulation**

*OW2712051494 Tokyo KYODO in English 0417 GMT 27 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 27 KYODO—Transport Minister Shizuka Kamei indicated Tuesday [27 December] his ministry will start work early next month to compile a package of measures for deregulating the nation's transport business.

Kamei told reporters after a regular cabinet meeting that the package, to be worked out by March, will call for about 100 items of deregulation through the simplification of paperwork or abolishment of unnecessary licensing requirements.

The ministry will also promote mergers and abolishment of ministry-backed organizations, Kamei indicated.

#### **Agriculture Omitted From Deregulatory Agenda**

*OW2412040194 Tokyo NIHON KEIZAI SHIMBUN in Japanese 23 Dec 94 Morning Edition p 5*

[FBIS Translated Text] Complaints are pouring out of business circles concerning the agenda to be taken up by the Deregulation Study Committee, which is charged with making specific recommendations to the government on a five-year plan for the promotion of deregulation. It has been decided that the committee should be divided into two groups and hold discussions on 11 subjects, but the subjects do not include the agricultural products which were on an initial list of topics.

In the agricultural sector, regulations exist not only on rice, but also on other products—import barriers on wheat and dairy products, and a price maintenance system on raw silk yarn, for instance. Since the exclusion comes on the top of the recent government decision to spend a great deal of money in connection with the opening of the rice market, many cast the question "why is agriculture the only sacrosanct area?"

While committee discussions on chosen subjects will begin in early January, business circles are now pushing the government to compel the committee to discuss deregulation of the agricultural sector as well, in one way or another.

The first group of the study committee will handle five subjects: housing and land; distribution; transportation; criteria, permits, and import-related regulations; and energy. The second group of the committee will deal with six areas: information and communications; banking,

securities and insurance; employment and labor; pollution, waste, and environment protection; and hazardous materials, disaster prevention, and security. Initially, a subject with the title "agricultural products" was supposed to be included on the agenda, but was not included in the final version.

Wheat and dairy products are due to be tariffed from 1995, but because high tariff rates will apply, the food industry will not be able to use cheap imported products. Meanwhile, the textile industry has to pay high prices for raw silk yarn because of the existing price maintenance system. A specialist representing business circles in the committee expressed his displeasure, saying: "Deregulation is absolutely necessary from the perspective of correcting the gap between the prices of domestic and foreign products prices as well."

The deregulation program which the Murayama government said it would "carry out" appears to have taken a step backward already.

#### **MOF Sets Rules on Derivatives Trading**

*OW2712132694 Tokyo KYODO in English 1304 GMT 27 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 27 KYODO—The Finance Ministry [MOF] has decided to require securities companies to report details of their dealings in derivative financial instruments and to set risk management standards for such trading, ministry officials said Tuesday [27 December].

The ministry has examined ways to bring trading of the so-called derivatives under control, following a recent call by the International Organization for Securities Commissions (IOSCO) for strengthening risk management in the field.

A formal notice on the new requirements will be issued as early as January, the officials added.

The ministry will require detailed reports, mainly on two derivative products—interest rate swaps and futures rate agreements (FRA)—in three contract-term categories, such as less than three months, three to 12 months, and over 12 months.

Brokerages will be required to submit reports on deals made during any given month by the end of the following month.

The ministry also wants each brokerage house's board of directors to establish policies for risk management of such trading, to set limits on the volume of the trading, and to deal only with financial institutions or listed companies.

In the future, when the market for derivative trading expands further, the requirements will also be expanded, the officials said.



Trading of derivative financial instruments is a relatively new field, and troubles have been reported, such as the loss, uncovered in November, of about 32 billion yen by Tokyo Securities Co. through such deals.

#### **Tsutsumi Formally Named MITI Vice Minister**

*OW2812081294 Tokyo KYODO in English 0729 GMT  
28 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 28 KYODO—The Ministry of International Trade and Industry (MITI) on Wednesday [28 December] formalized the resignation of MITI vice chief Hideaki Kumano and his replacement by Tomio Tsutsumi, head of the Industrial Policy Bureau.

The reshuffle of top MITI posts came six months before the expiration of their second one-year terms at the end of June.

The unusual move is widely seen as MITI's response to lingering criticism of Kumano—both inside and outside the ministry—for his handling of a personnel affair that gripped MITI in 1993.

In a joint press conference, last for Kumano and the first for the new vice minister, Tsutsumi said, "I think the confusion that shook MITI has ended."

Kumano has been under continuing criticism for his inability to resist alleged political intervention in the dismissal of Masahisa Naito, head of MITI's Industrial Policy Bureau.

Last December, then MITI chief Hiroshi Kumagai urged Naito, tipped to be MITI's next vice minister, to step down to take the blame for his allegedly unfair promotion of a MITI official.

The scandal ended with Naito's voluntary resignation—widely seen as in fact a firing by Kumagai—and prompted a national debate over what the ideal relations should be between politicians and bureaucrats.

"Now, I feel charged with the very important task of steering Japan's economic policy in the right direction at a time when the country is at a major turning point which it will not face again for another 50 years," Tsutsumi said.

Asked about any connection between his resignation and the ministry's personnel affair, Kumano said, "my resignation has nothing to do with the reported confusion in MITI."

"I have decided to step down as I judged having a new team is best for MITI," Kumano said. "I believe my successor will do his best to fulfill his duty in line with the work we did."

Upon Kumano's resignation, Sozaburo Okamatsu, vice MITI minister for international affairs, also stepped

down Wednesday, and his post was filled by Yoshihiro Sakamoto, director general of the International Trade Policy Bureau.

#### **Murayama in Oita Prefecture for Year-End Break**

*OW2812104794 Tokyo KYODO in English 1005 GMT  
28 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 28 KYODO—Prime Minister Tomiichi Murayama arrived in his native Oita Prefecture on Wednesday [28 December] evening for a four-day yearend break, his first return trip since taking office in June.

Before his departure from Tokyo, Murayama said, "before taking up my current post, I used to go home every week or two for a weekend break...I don't think you should make too much of this."

Murayama, 70, said he wants to be with his wife Yoshie, who is recuperating from back pain at a clinic in the southwestern part of Japan.

During his holidays in Oita, the premier is scheduled to attend welcome parties hosted by Oita Gov. Morihiko Hiramatsu and his supporters' group and have luncheon meetings with relatives and former classmates.

#### **Igarashi Praises Murayama for Half-Year Leadership**

*OW2812083094 Tokyo KYODO in English 0538 GMT  
28 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 28 KYODO—Chief Cabinet Secretary Kozo Igarashi on Wednesday [28 December] applauded the accomplishments Prime Minister Tomiichi Murayama's cabinet has made for the past half six months and vowed efforts to complete unfinished key policy tasks in the New Year.

"Looking back over the past six months of the Murayama cabinet, I can say it has achieved a really astonishing number of tasks," the top government spokesman said at a news conference.

Murayama assumed office in late June as Japan's first socialist premier in 47 years, leading a tripartite coalition government.

The Murayama administration has capped the nation's years of efforts for political reform, as well as tax and farm system reforms, Igarashi said.

He lauded the premier for his diplomatic activities, including his attendance at the summit of the Group of Seven major economic powers in Naples in July and the summit of the Asia Pacific Economic Cooperation forum in Jakarta in November.

The Murayama cabinet "has well lived up to the expectations of the people for the past half year," Igarashi said.



He said the administration intends next year to continue tackling unfinished projects, including administrative reform.

#### **Murayama on 'Continuing Row' Within SDPJ**

*OW2812134494 Tokyo KYODO in English 1313 GMT  
28 Dec 94*

[FBIS Transcribed Text] Oita, Japan, Dec. 28 KYODO—Prime Minister Tomiichi Murayama made his first journey back to his home prefecture of Oita on Wednesday [28 December] since he became premier in a June 29 parliamentary election.

"I am deeply moved by the warm feelings you in this local community have shown me," Murayama told a gathering of residents in the neighborhood of his home.

Murayama, microphone in hand, delivered the brief greeting to local residents in front of his home.

During his four-day stay in Oita, Murayama plans to visit his ailing wife Yoshie, visit relatives' graves and his primary school, and attend a string of welcoming parties organized by the Oita Prefectural Government as well as labor unions and the Oita prefectural chapter of his Social Democratic Party [of Japan, SDPJ].

Although his aides described the purpose of the trip as "taking a rest," his congested schedule at home might leave him with little time for relaxation, the aides said.

Murayama told reporters he is saddened at the continuing row within the SDP over its proposed transformation of the SDP into a new party.

"It would have been better if the row could have subsided by the year-end," he said in reference to growing moves by a rebel SDP group of legislators to break away from the party.

#### **Editorial on Resumption of Political Donations**

*OW2612051894 Tokyo MAINICHI SHIMBUN in  
Japanese 15 Dec 94 Morning Edition p 5*

[Editorial: "What Can Business and Industry Be Thinking About?"]

[FBIS Translated Text] What has happened to the recent political reform which touted the idea of getting politics away from "plutocracy"? We cannot help feeling angry at the many political fund donations announced by major corporations and businesses this month.

It was only two years ago, following a series of political scandals known as the Recruit bribery scandal, the Kyowa bribery scandal, and the General Contractor graft scandal, that campaigns were launched to change to a political system under which it would not be necessary for politicians to raise money. There was a national consensus to change the old habit of politicians, bureaucrats, and businessmen colluding over political funding.

At the time, business organizations such as the Federation of Economic Organizations of Japan [Keidanren] and the Japanese Federation of Employers' Associations [Nikkeiren] did some soul-searching on the issue of corporate donations. In September 1993 Keidanren announced it would cease to act as an intermediary in channeling donations. It has also since been decided that 250 yen per capita should be levied on the population to raise public funds to be distributed to political parties. Consequently, we thought we were saying goodbye to "money-soaked" politics.

But recently, though, business organizations such as the Japan Automobile Manufacturers Association, the Petroleum Association of Japan, and associations of commercial banks and life insurance companies have announced their intention to resume donations to the Liberal Democratic Party, New Party Sakigake [Harbinger], and Shinshinto [New Frontier Party]. And now individual companies appear about to follow them in great rush.

What has happened? It seems likely that the goals of the political parties and the goals of the business groups began to coincide.

First, political parties are desperate to raise as much money as possible before the Revised Political Fund Control Law goes into effect in January. The law provides that the amount of public subsidies paid to each party should not exceed two-thirds of the party's revenues in the previous year. What is happening now may be called a "last-minute fund-raising campaign."

Businesses, on the other hand, are probably thinking that it is a good time to pay insurance premiums to both ruling parties and Shinshinto, now that Shinshinto has come onto the political scenes.

Nothing could be more absurd. The political parties will receive a total of 30.9 billion yen in public subsidies. Political fund-managing bodies will be authorized to accept individual fund donations too. If they rake in so much from their businesses on top of that, it will constitute nothing more than "double taking."

Whatever we might think of it, there is no way of accepting this money collection frenzy—which completely overlooks the purpose of political reform, which is encourage a form of "politics which does not need money."

Even worse are the business people. Making political donations is illogical, and does not make sense to begin with. If they made donations in the expectation of some kind of reward in return, they might be suspected of making bribes. Conversely, if they made donations without expecting any reward in return, then they would have wasted money, and hence could be charged with breach of trust for the companies they work for.

In fact, there has been debate on this question for a long time. Until Keidanren declared it would stop acting as



an intermediary [in funneling political donations], the excuse of businessmen for making donations was: "Logically speaking, the best thing would be to completely ban political donations. Realistically speaking, though, that is difficult, so we have to conclude that they are a necessary evil."

One businessman went so far as to say: "If corporations stop making donations, politicians will become so hard-pressed for money that they may turn to burglary."

But such talk of donations being a necessary evil fails to persuade for two reasons:

One is the fact that it goes against the original purpose of political reform. If people want to move and manipulate the budget and tax reform to their advantage—by using donations as leverage—the nation will return to the old plutocracy. Is that what we want?

The second issue is a question of balance. Even when business conditions are good, contributing without seeking anything in return could still constitute a breach of trust. Now, when business conditions are so bad, contributing should be considered a more serious breach of trust. We are all aware that many companies are now trying very hard to scale down the numbers of workers on their payrolls in the name of restructuring.

Quite a few companies have decided to forego any annual pay rise this year, or have decided to reduce annual bonuses to employees for the year. If companies have the funds to make donations, they should use them in paying wages. Executives who ignore the feelings of employees should be prepared to deal with a deluge of lawsuits filed by shareholders.

#### **Farm Ministry Planning Merger of Corporations**

*OW2612140594 Tokyo NIHON KEIZAI SHIMBUN in Japanese 24 Dec 94 Morning Edition p 1*

[FBIS Translated Text] The Ministry of Agriculture, Forestry, and Fisheries [MAFF] has begun considering the possibility of merging two of its affiliates, the Japan Raw Silk and Sugar Price Stabilization Agency [JRSSPSA] (with Hiroshi Washino as executive director) and the Livestock Industry Promotion Corporation [LIPC] (with Jiro Shiwaku as executive director) into a single new organization to be tentatively called the "Agricultural Products Price Stabilization Agency." The idea to have the new agency take over the work of the MAFF's aforementioned affiliates is becoming widely accepted. This is part of the pledge made by Prime Minister Tomiichi Murayama's administration to review existing special government-affiliated public corporations. The administration hopes to improve work efficiency by consolidating corporations whose roles have become less important. It plans to coordinate relevant matters with the ruling coalition parties beginning early next year.

The JRSSPSA was established in 1981 as a result of a merger between the Japan Raw Silk Agency and the Sugar Price Stabilization Agency. It handles the job of adjusting prices of raw silk and sugar through transactions involving imported and domestic products. The LIPC has primarily been entrusted with managing importing and pricing of meat and dairy products.

However, the roles of the two agencies which act in behalf of the Japanese Government will drastically change with the tariffication of agricultural products which will begin in FY 1995 in line with accords under the GATT's Uruguay Round of multilateral trade talks. It has been determined that since market liberalization will diminish the significance of their official role of protecting domestic farmers, these agencies have no reason to exist as independent organizations any longer. The MAFF plans to work on finalizing specific measures for merger of the two agencies beginning early next year. In conjunction with this, the ministry also plans to proceed with reviewing the agencies' traditional line of business. There is strong possibility that work dealing with raw silk will be curtailed.

#### **Farm Ministry Denies Report**

*OW2412104494 Tokyo KYODO in English 1028 GMT 24 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 24 KYODO—The Agriculture, Forestry and Fisheries Ministry on Saturday [24 December] denied a newspaper report that the ministry is considering merging two farm promotion corporations as part of efforts to integrate state-run public corporations.

Eisuke Hinode, director general of the ministry's Agricultural Production Bureau, said at an urgently called news conference that his ministry has "no such plans whatsoever."

In its Saturday morning editions, the NIHON KEIZAI SHIMBUN reported the farm ministry is studying the possibility of integrating the Japan Raw Silk and Sugar Price Stabilization Agency and Livestock Industry Promotion Corp. into a new public corporation.

The integration idea forms part of administrative reforms the government of Prime Minister Tomiichi Murayama pledged to implement, the economic daily said. The government made the promise in return for a raise in the consumption tax rate in the nation's tax system overhaul.

The government is to work out an outline of administrative reforms by Feb. 10.

The Japan Raw Silk and Sugar Price Stabilization Agency was formed through a merger of raw silk and sugar price stabilization agencies in 1981.

The agency has a staff of some 100. Currently it faces little need to stabilize raw silk prices, with raw-silk



producers across the country falling below 20,000 households from around 100,000 households 10 years ago.

### **Ministry Mulls Reform of Salt Monopoly**

*OW2612095794 Tokyo KYODO in English 0937 GMT  
26 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 26 KYODO—The Finance Ministry is considering a drastic overhaul of Japan Tobacco Inc.'s salt monopoly, as part of administrative reforms, ministry officials said Monday [26 December].

The ministry is also considering abolishing the monopoly, officials said.

Finance Minister Masayoshi Takemura is expected to propose overhauling the salt monopoly in separate meetings Tuesday with Chief Cabinet Secretary Kozo Igarashi and Management and Coordination Agency Director General Tsuruo Yamaguchi, the officials said.

Japan Tobacco (JT), which was created when Japan's tobacco and salt monopoly was privatized in 1985, is under the control of the Finance Ministry.

Under the present system, only JT has the sole power to license companies to engage in salt production, wholesale and retail business.

Currently there are seven salt manufacturers and 82 wholesalers of salt in Japan.

The monopoly system was introduced at a time when there were serious shortages of basic commodities, and was originally intended to stabilize salt supplies.

A Finance Ministry advisory panel in 1991 called for deregulation of the salt business. However, the proposal faced fierce opposition from the salt industry and conservative law makers of the Liberal Democratic Party, and was quietly shelved.

At a regular press briefing on Monday, Vice Finance Minister Jiro Saito said that his ministry has yet to offer a "concrete" plan for overhauling public corporations affiliated with it.

"Discussions within the ministry are just starting...and it's difficult to hammer out concrete policy so quickly," Saito told reporters.

Given Takemura's strong position, Saito said his ministry "is no exception and must decide on a concrete plan."

The cabinet of Prime Minister Tomiichi Murayama is holding a two-day minister-level hearing, due to end on Tuesday, to reaffirm its commitment to results in its policy of administrative reform.

Murayama has singled out the overhaul of public corporations attached to government ministries as the centerpiece of his reform effort. Types of restructuring under consideration include liquidation, mergers and privatization.

In a related development, the Transport Ministry is considering combining marine and rail public corporations into one transportation body, Transport Ministry officials said.

In a midterm report to be submitted to Chief Cabinet Secretary Igarashi later Monday, the ministry says it is considering a merger of the Maritime Credit Corp. and the Railway Development Fund, they said.

The ministry will include a reference to the possibility of the merger in a final report Feb. 10, the officials said.

The cabinet approved Sunday the government's reform outline, which includes a review of the nation's 92 government-backed public corporations.

Public corporations, many of which are essentially idle, have attracted criticism as havens for retired bureaucrats that do little more than waste taxpayers' money.

Three such corporations, including the Marine Corporation, have been targeted for abolition by new party Sakigake [Harbinger], a member of the ruling coalition, whose head Takemura is the finance minister. The two others are the Livestock Industry Promotion Corp. and the Japan Raw Silk and Sugar Stabilization Agency, both affiliated with the Agriculture, Forestry and Fisheries Ministry.

Igarashi brought up the possibility of merging the livestock and silk organizations during a meeting with Agriculture, Forestry and Fisheries Minister Taichiro Okawara.

Okawara told a news conference, "and I answered that I recognize it as one opinion."

Okawara said, "the ruling parties and others associated with farm management have deep concerns and we must refrain from adopting simplistic solutions."

Okawara said he was ready to set up a study group on the issue within the farm ministry next month.

The Maritime Credit Corp., founded in 1959, has five board members and 78 employees. When a small or midsize domestic shipping company wants a ship built, the Maritime Credit Corp. takes joint ownership with the private company, provides low-interest loans, and sells its interest in the ship to the private company at a set time.

The Railway Development Fund uses government subsidies and proceeds of the sale of the nation's Shinkansen bullet train system to offer low-interest loans for the construction of new Shinkansen and subway lines.

The restructuring under consideration by the Transport Ministry would reduce the number of directors currently attached to the two corporations and would trim the workforce in accounting and other administration areas, the officials said.



**Takemura To Realign Public Financial Institutions**

*OW2712131694 Tokyo KYODO in English 1233 GMT 27 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 27 KYODO—Finance Minister Masayoshi Takemura said Tuesday [27 December] he plans to consider realignment of 11 government-subsidized financial institutions as part of a planned reorganization of public corporations.

Takemura made the remark in two days of ministerial sessions on the reorganization plan ended Tuesday.

The negotiations were held separately between Chief Cabinet Secretary Kozo Igarashi and Tsuruo Yamaguchi, director general of the Management and Coordination Agency on the one hand and 17 cabinet ministers, including Takemura, on the other.

The talks were designed to adjust views among ministries and pave the way for the government to formulate a final plan for the reorganization of public corporations next February, officials said.

Takemura said the Finance Ministry study will involve such institutions as the Japan Development Bank, the Export-Import Bank of Japan and People's Finance Corp.

Foreign Minister Yohei Kono, who is president of the Liberal Democratic Party, the largest of three ruling coalition parties, said the ministry is proceeding with concrete steps toward reorganizing overseas officials of the Japan International Cooperation Agency (JICA) and the Japan Foundation.

Kiyoshi Ozawa, director general of the National Land Agency, said the agency is studying the possibility of suspending operations for economic promotion in coal mining regions by the Japan Regional Development Corp.

International Trade and Industry Minister Ryutaro Hashimoto, however, expressed displeasure over the government's approach, saying debates now center on the reduction of the number of corporations in disregard of the important role played by them.

**More Control Over Illegal Foreign Workers Urged**

*OW2712103794 Tokyo KYODO in English 1006 GMT 27 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 27 KYODO—Japan should allow in more foreigners with specialized skills but should also step up efforts to prevent foreigners from entering the country to work illegally, a private consultative panel told the Justice Ministry on Tuesday [27 December].

The report, presented to Justice Minister Isao Maeda by an immigration policy advisory panel, said the number

of foreigners entering and staying in Japan is rising and predicted a diversification in the types of reasons foreigners have for wanting to come to Japan.

It said Japan should overhaul the system under which it allows into the country foreigners with specialized skills and knowledge.

The report said a revision of regulations in 1990 which allowed for an expanded intake of skilled foreigners has resulted in a number of problems.

It cited a rapid increase in the number of people overstaying their visas, the lengthening of the time such people remain in Japan, an increase in violent or drug-related crimes, as well as an increase in organized group attempts to enter Japan.

The report recommended closer cooperation between police and other immigration control organizations in an effort to decrease the number of foreigners staying illegally in Japan.

It said Japan needs expanded detention facilities for illegal aliens and should also ensure more immigration officers.

**Unemployment Rate Falls to 2.9 Percent in Nov**

*OW2712031994 Tokyo KYODO in English 0144 GMT 27 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 27 KYODO—Japan's unemployment rate fell to 2.9 percent in November from 3.0 percent in October, the first fall in seven months, the Management and Coordination Agency said Tuesday [27 December].

The November jobless rate, tallied on a seasonally adjusted basis, is still the third highest level in the postwar period. The postwar record high was 3.1 percent set in May 1987.

Despite a set of positive economic figures, the employment situation "remains severe," although the November fall points to a slight improvement, an agency official said.

"I believe the situation is such that at least the jobless rate will not go up," the official said. But he noted at the same time that data on coming months are needed to see whether the November fall is a sign of a downward trend.

In a separate report, the Labor Ministry said the closely watched ratio of job offers to job seekers, a key indicator of demand for labor, was unchanged at a seasonally adjusted 0.64 in November for the third straight month.

This means there were 64 job offers to every 100 people looking for jobs.

Assessing the latest job offer-to-job seeker ratio, Labor Minister Manso Hamamoto told a cabinet meeting that the ratio still requires "careful watch."



In November, the number of unemployed totaled 1.85 million, up 5.1 percent or 90,000 from a year earlier, according to the Management and Coordination Agency.

The number of jobholders fell 0.4 percent or 250,000 from a year earlier to 64.58 million for the fifth straight monthly dip, according to the agency.

The number of male jobholders fell 0.3 percent or 110,000 to 38.44 million, while that of female jobholders fell 0.5 percent or 140,000 to 26.14 million.

The jobless rate for males was down to 2.9 percent from 3.1 percent in October, thanks to a decline in unemployment among young people from 15 to 24 years old.

Unemployment among such people fell to 240,000 from 280,000 in October.

The jobless rate for females was unchanged at 3.0 percent from October.

By industry, employment increased by 3.1 percent from a year earlier in the construction industry, continuing an upward trend.

Employment in the retail-wholesale-restaurant sector increased by 0.1 percent for the first gain in six months, while that in the service sector rose by 0.8 percent.

But employment in the manufacturing sector continued to fall, by 4.0 percent.

#### **Mitsubishi, DA To Develop Convertible Missile**

*OW2612142094 Tokyo NIHON KEIZAI SHIMBUN in Japanese 19 Dec 94 Morning Edition p 11*

[FBIS Translated Text] Mitsubishi Electric Corporation and the Defense Agency [DA] have begun considering converting the air-to-air missile, which they will begin test-producing this fiscal year, to a weapon that also has a ship-to-air capability. The conversion is being considered with the aim of reducing, through mass production, production costs of domestically built missiles, which tend to be greater than similar costs overseas. It is also aimed at maintaining the operation of defense factories amid moves to reduce defense spending. However, most major weapons carried on board Japanese warships have been either imported or produced with licensed foreign technology. Also, the United States has promoted the development of a missile that can be a rival to the new missile Japan will develop. In view of these circumstances, it is expected there will be heavy selling campaigns from foreign manufacturers before Japan begins mass producing missiles.

During this fiscal year the DA will formally name Mitsubishi as the prime contractor for the development of the "XAAM4" air-to-air missile, which is expected to succeed the existing "Sparrow" missile. The new missile will emit electromagnetic wave so it can be radio-controlled. It is expected that if mass production of the new missile is allowed, more than 1,000 XAAM4's will

be produced. Nevertheless, in the current situation in which U.S. Hughes and Raytheon Companies try to sell their "AMRAAM" missile, a rival to the XAAM4, it is imperative for Japan to reduce production costs of domestically built missiles to make them competitive. A senior DA official said: "Unless costs are reduced to below 100 million yen [Y] per missile, Japanese missiles will not be competitive."

If the new air-to-air missile is converted to a weapon that has a ship-to-air capability, its mass production will be possible and as a result, the production costs will be reduced. Mitsubishi and the DA expect they will receive orders for about 500-1,000 ship-to-air missiles. The DA has included conversion research expenses totaling a little less than Y600 million in its budgetary request for fiscal 1995. Mitsubishi is expected to carry out the research and develop a test missile in about four years.

The missiles carried on board Japanese warships are all foreign-made products. Mitsubishi produces the existing "Sea Sparrow" missile but with licensed technology provided by U.S. Raytheon. In the United States, the development of a new ship-to-air missile has already begun. Pressure from the United States on Japan to purchase its ship-to-air and air-to-air missiles is likely to increase. Meanwhile, from the viewpoint of mutual usage of weapons, some DA officials claim that Japan should use U.S. equipment.

Japan's three principles on arms exports prohibit exporting weapons to other countries. This obliges Japanese manufacturers to produce a small quantity of defense equipment, for which the prices of domestically built weapons tend to be higher than those of foreign-made arms.

#### **North Korea**

##### **Radio Reports Arrival of Hubbard Delegation**

*SK2812112094 Pyongyang Korean Central Broadcasting Network in Korean 1108 GMT 28 Dec 94*

[FBIS Translated Text] Thomas Hubbard, deputy assistant secretary of East Asia and Pacific affairs in the U.S. State Department, who is a representative of the U.S. Administration, arrived in Pyongyang with his party on 28 December.

##### **KCNA on Arrival**

*SK2812043194 Pyongyang KCNA in English 0416 GMT 28 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 28 (KCNA)—Thomas Hubbard, deputy assistant secretary of the East Asia and Pacific Bureau of the U.S. State Department and a representative of the U.S. administration, and his party arrived here today through Panmunjom.



**KCNA on Praise for DPRK-U.S. Agreement***SK2412102194 Pyongyang KCNA in English 1011  
GMT 24 Dec 94*

[Spelling of all names as received]

[FBIS Transcribed Text] Pyongyang, December 24 (KCNA)—The DPRK-U.S. agreed framework was hailed and supported by more than 460 high-ranking personages including the heads of party and state of some 160 countries and regional and international organizations, about 320 political parties and organizations and broad segments of the peaceloving people.

It was reported by 700 news media all over the world.

Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba and president of the Council of State and president of the Council of Ministers of the Republic of Cuba, congratulated the Korean party and people upon their great victory at the recent DPRK-U.S. talks as regards the nuclear issue under the wise guidance of the dear leader Comrade Kim Chong-il.

Norodom Sihanouk, king of Cambodia, sent a letter to the Korean Embassy in his country and extended most fervent congratulations to his excellency Marshal Kim Chong-il, the most respected supreme commander of the Korean people and nation, upon the adoption of the DPRK-U.S. framework agreement.

Nouhak Phoumsavanh, president of the Lao People's Democratic Republic, said the great victory won by the Korean people at the DPRK-U.S. talks under the wise guidance of the dear leader Comrade Kim Chong-il was not only a demonstration of the might of the Korean people united around him in one mind and purpose, but also a brilliant fruition of the external policy.

The general secretary of the Egyptian National Democratic Party said the adoption of the DPRK-U.S. framework agreement demonstrated to the world that the ideology and politics of his excellency the great President Kim Il-song are being carried forward and the leadership of Korea is strong.

Madhav Kumar Nepal, general secretary of the Central Committee of the Nepal Communist Party (United Marxism-Leninism), had this to say:

"It was because the world came to have a better knowledge of the leadership ability of Comrade Kim Chong-il, the supreme leader of the Democratic People's Republic of Korea, that he received a letter from the U.S. President assuring him of the sincere implementation of the agreement."

The Bulgarian Communist Party (Marxists), the Renewal Communist Party of Bulgaria, Chairman Walter Bayer of the Communist Party of Austria, Chairman Ahmad al-Zoubi of the Liberal Party of Jordan and other foreign political parties and party

leaders laid an emphasis on the significance of the DPRK-U.S. framework agreement, saying that the United States should show the highest degree of sincerity in implementing the agreement as it already promised.

Dr. M.M. Verma, director of the Indian Centre for the U.N. Study, in his statement issued to the press said that today the DPRK-U.S. framework agreement is an international commitment beyond the scope of the DPRK and the U.S., adding that the international community is watching how the United States fulfills its pledge.

**Roundtable on 'Crimes' by Kim Yong-sam 'Ring'***SK2712222094 Pyongyang Korean Central  
Broadcasting Network in Korean 0630 GMT 26 Dec 94*

[First of three installments of roundtable with Cho Chun-han, counselor of the Secretariat of the Committee for the Peaceful Reunification of the Fatherland; Yi U-kap, member of the Consultative Council of Former South Korean Politicians in the North for the Promotion of Peaceful Reunification; station commentator Chong Pong-kil; and station reporter U Sang-ok: "Nation Will Deal Hard Blow to Unparalleled Traitor Kim Yong-sam"]

[FBIS Translated Text] [U Sang-ok] How are you?

[All others] Fine. How are you?

[U] Fine. This year is coming to a close. This year alone, the Kim Yong-sam ring of South Korea committed tremendous crimes before the country and the nation.

[Chong Pong-kil] He really did. The Kim Yong-sam ring noisily talked about so-called national reconciliation, peace, reunification, and the like on every occasion this year, too, did it not?

[U] Yes.

[Chong] The crimes it actually committed, however, were greater than all the crimes committed by all the previous dictators throughout their entire period.

[Yi U-kap] In short, this year is a year of adding crimes to crimes and sins to sins.

[All others] That is right.

[U] Since it is impossible to numerate all the crimes committed by the puppet Kim Yong-sam clique, we should divide them into several categories.

[All others] We think so.

[U] First, let us talk about its crime of opposing reunification, the nation's aspiration, and extremely aggravating North-South relations.

[All others] Okay.

[Cho Chun-han] The great leader Comrade Kim Il-song taught: The South Korean authorities are pursuing the reliance on outside forces, not national independence;



and North-South confrontation, not national unity, disregarding our generous proposals and the whole nation's aspiration for reunification.

The puppet Kim Yong-sam clique blocked the peaceful resolution of the reunification issue by completely freezing North-South dialogue. This is one of the greatest crimes it committed.

As you know, we held a joint meeting of the government of the Republic, political parties, and public organizations and proposed holding a national meeting on the occasion of the National Liberation Day; as a practical measure to implement the 10-point program of the great unity of the whole nation, as well as adopted a letter to the South Korean authorities, political parties, organizations, individual figures, and overseas compatriots.

This proposal for the national meeting was a very timely and active measure that reflects the demand of the time and the national desire to break through the difficult situation created in our country and to enter a turning phase toward the country's peace and peaceful reunification.

[All others] That is right.

[Cho] The proposal also plainly reflects the Republic Government's invariable position that it will resolve the country's reunification issue through dialogue and negotiations and with the strength of the united nation. Accordingly, one who cares for the destiny of the country and the nation even a little should react positively to this patriotic and constructive proposal.

However, the Kim Yong-sam ring even refused to receive our letter, saying that it is so-called political propaganda, that it is of no help for improving South-North relations, and the like.

This clearly shows that national reconciliation and reunification mentioned by the puppets were all false, does it not?

[All others] Yes it does.

[Cho] We also proposed holding North-South top-level talks and made every possible effort to realize this. Traitor Kim Yong-sam, however, far from expressing condolences over the national misfortune, which occurred when North-South top-level talks were just ahead, ordered the entire puppet army and police to be put on special and emergency alert, pointing guns at fellow countrymen who were in grief.

How on earth could the person who had reportedly practiced handshakes for North-South top-level talks do this against his dialogue partner?

[Yi] It was indeed a ungrateful and anti-people act that reminds us of an old saying about a dog that bites a person who rescued it from drowning.

[All others] It really was.

[Yi] The Kim Yong-sam ring's crime of pointing guns at fellow countrymen who were in grief over the leader's death is the greatest crime, and the whole nation will certainly calculate the puppet traitor's unforgivable crime.

[All others] That is right.

[Cho] The puppets completely blocked North-South dialogue and returned North-South relations to the situation of confrontation.

Our nation will never forget this unprecedented crime committed by the traitorous Kim Yong-sam clique and will never forgive it.

[Yi] The South Korean puppets committed more crimes in blocking North-South dialogue. They blocked our side's delegation from going to the South to participate in the Fifth Pannational Rally in Seoul, considered dialogue between North and South Korean universities on the telephone as a crime, suppressed patriotic students, and blocked South Korean people from going to the North to participate in the dedication ceremony of Tangun Tomb, a national common felicitous event.

[All others] Yes, they did.

[Yi] All this clearly shows that the Kim Yong-sam clique does not intend to resolve the country's reunification issue through dialogue.

[All others] That is right.

[U] The South Korean puppets not only blocked North-South dialogue, but also have been madly engaged in war commotion for northward invasion, extremely aggravating North-South relations. I think this crime should also be noted here.

[All others] We agree with you.

[Chong] The puppets have conducted war exercises in succession since the beginning of the year and stirred up North-South confrontation and war mood, mentioning a complete offensive posture, punishment and retaliation, and the like. They continuously brought updated war equipment, including Patriot missiles, into South Korea, and waged various war exercises, such as Ulchi-Focus Lens, Eagle-94, and Pangpae.

Reviewing the Eagle-94 war exercises alone, the U.S. Forces in South Korea and the puppet army, as well as semi-military armed forces, were mobilized. They conducted this war exercise three-dimensionally in a broad range of the South Korean territory, including areas adjacent to the Military Demarcation Line in the Demilitarized Zone. This was indeed a very dangerous war exercise.

[All others] That is right.

[Yi] People at home and abroad assessed the Eagle-94 war exercise as an exercise for northward invasion under



an alternative title of the Team Spirit joint military exercise. This shows how provocative and worthless this war exercise was.

The traitorous Kim Yong-sam clique has led the situation to the brink of war this year, bringing the cloud of war flames [chonjaeng pulgurum]. This is one of the greatest crimes committed by the Kim Yong-sam ring and is an unprecedented crime that can never be forgiven.

[U] The vicious maneuver to stir up North-South confrontation is one of the antinational and antireunification crimes committed by the South Korean puppets this year, is it not?

[Cho] Yes it is. The flunkiest, nation-selling Kim Yong-sam clique, which takes no regard of national interests, desperately tried to block DPRK-U.S. talks and to do harm against our Republic, borrowing outside forces, last year. This is a well known fact, is it not?

[All others] Yes, it is.

[Cho] Nevertheless, the puppets did not get rid of their bad habit and ran wild even more desperately this year. The puppets have been engaged in commotion aimed at maintaining an international cooperation system and at applying sanctions against us, under the pretext of the nuclear issue, since the beginning of the year. Embarrassed at the progress in the third round of DPRK-U.S. talks, the puppets disparately tried to put the brakes on the DPRK-U.S. talks, pulling their master by the leg and spreading the fictitious rumor that the North possesses five nuclear bombs.

The denunciation of the puppet foreign minister for ceaselessly flying over the Pacific shows how extremely and indiscreetly the puppets were running wild, losing their reason.

However, far from finding a proper lesson in this, the puppets continued to wage war exercises and military provocations, as well as dastardly maneuvered to create obstacles to the implementation of the agreement even after the adoption of the DPRK-U.S. agreed framework.

[U] Then, why has the Kim Yong-sam ring blocked dialogue and aggravated North-South confrontation for the whole year?

[Chong] As has already been exposed, traitor Kim Yong-sam recently urged people to abandon their view of reunification, saying national reunification is an illusion. In early October, he also said that reunification under a liberal democratic system is his invariable goal and dream. In other words, he intends to expand South Korea's colonial fascist system up to the northern half of the Republic, does he not?

[All others] Yes, he does.

[Chong] Because they cherish the ambition of reunification by defeating communism, the puppets have

opposed reunification, the national aspiration, and aggravated North-South relations.

[All others] That is right.

[Yi] Because of their antireunification maneuver, however, the puppets have only revealed their wicked nature as the challenger to peaceful reunification.

[All others] That is right.

[Cho] There are loud voices of South Korean people urging the overthrow of Kim Yong-sam, saying that reunification cannot be achieved and a war would take place if Kim Yong-sam is left as he is. I believe this is no accident.

[U] The ring headed by Kim Yong-sam, vicious national traitor and challenger to reunification, who has constantly pursued confrontation and war, will be given a stern trial by the people for its crimes.

[All others] Certainly it will.

[U] Let us conclude the discussion for today. Next time, we will discuss the Kim Yong-sam ring's crimes in viciously suppressing the South Korean people's movement for independence, democracy, and reunification after establishing a new security-oriented political situation in South Korea.

Thank you all.

#### **Daily: South 'Must Scrap' Security Law**

*SK2412045794 Pyongyang KCNA in English 0435  
GMT 24 Dec 94*

["NODONG SINMUN Urges Abolition of 'NSL'"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 24 (KCNA)—The South Korean authorities must scrap "the National Security Law" (NSL), an anachronistic anti-national, anti-democratic and anti-reunification fascist law, as demanded by the people, urges NODONG SINMUN today.

Recalling that, at the consultative meeting of representatives of the government, political parties and organizations of the Democratic People's Republic of Korea held here on December 21, "the committee of measures for the abolition of 'the National Security Law' of South Korea" was formed as an immediate step to improve the inter-Korean relations and open a decisive phase of national reunification, the analyst says this is a very just patriotic step.

By clinging to the "NSL" which defines the North as "an anti-state organization", the South Korean rulers show that they want neither dialogue nor improvement of relations between the North and the South nor reunification, the analyst says, and continues:



The political parties, social organizations and people of all strata of South Korea must staunchly struggle for the abolition of the "NSL" to remove the obstacles to national unity and reunification and, at the same time, launch intensive activities for reporting all the anti-national, anti-reunification crimes and human rights abuses by the Kim Yong-sam group to democratic organizations, human rights bodies, organizations and unbiased public of the world.

We believe that governments, political parties and social organizations of many countries and international organizations which value justice and truth and defend human rights will lift up louder voices strongly demanding the abolition of the fascist "NSL".

### **Overseas Groups Urge Demolition of Wall**

*SK2812110794 Pyongyang KCNA in English 1014  
GMT 28 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 28 (KCNA)—The political and public circles of the world expressed support to the appeal issued by the Standing Committee of the Supreme People's Assembly of the DPRK to the parliaments and politicians of different countries of the world on the lapse of 15 years since the South Korean puppets built the concrete wall.

Boris Petkov, chairman of the Executive Council of the Central Committee of the Bulgarian Communist Party (Marxist), in a statement December 16 said:

"The South Korean authorities refuse to pull down the concrete wall, a symbol of division and confrontation. This proves that despite their lip service to 'civilian politics,' 'dialogue' and 'cooperation,' they are a group of anti-national, anti-reunification traitors who still seek confrontation and division."

The Amerindian Action Movement of Guyana in a statement December 21 stressed that if the South Korean authorities truly wanted reunification and peace in Korea, they must scrap the "national [words indistinct] and immediately pull down the concrete wall.

The statement adopted at a meeting of representatives of public circles in Moscow on December 20 expressed full support to the desire of the Koreans in the North, South and overseas to greet 1995, in which falls the 50th anniversary of Korea's liberation, with the abolition of the "National Security Law" and the demolition of the concrete wall.

The Mozambican Committee for Friendship With the People of the DPRK in a statement December 14 stressed that it would continue to support the Korean people in the struggle to reunify the country in accordance with the confederation formula and the 10-Point Programme of the Great Unity of the Whole Nation put forward by the great leader President Kim Il-song.

The Nepal-Korea Friendship Association, the Nepalese Committee for Support to Korea's Reunification and the

Guyanese National Committee for the Study of the Chuche Idea of Comrade Kim Il-song issued statements, the Zimbabwe-Korea Solidarity and Friendship Association and the Zimbabwean National Committee for the Study of the Chuche Idea a joint statement, the Burundi-Korea Friendship Association, the Burundian Committee for Support to Korea's Reunification and the Burundian Group for the Study of The Chuche Idea a joint statement and secretary-general of the All India Peace and Solidarity Organisation Chita Vishwath [spelling of name as received] a statement strongly demanding the demolition of the concrete wall.

### **KCNA on Opposition in South to Nuclear Dump**

*SK2812113994 Pyongyang KCNA in English 1023  
GMT 28 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 28 (KCNA)—More than 200 residents of Ongjin County, Kyonggi Province, staged a sit-down against the construction of a nuclear waste dump on December 26, according to a radio report from Seoul.

They declared that they would continue the struggle for defence of their right to existence.

### **Book on Kim Il-song, Kim Chong-il in ROK**

*SK2512084494 Pyongyang KCNA in English 0804  
GMT 25 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 25 (KCNA)—A book for primary school children carrying the portraits of the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il was distributed in Seoul, Taejon and other parts of South Korea, according to a radio report from Seoul on December 22.

320,000 copies of the book authored by the Social and Cultural Educational Institute were distributed.

The South Korean fascist clique, upset by this, issued an order to withdraw the book from circulation and is cracking down on the publishing house which brought out the book.

### **Radio Denounces DLP Leader Kim Chong-pil**

*SK2612032994 Pyongyang Korean Central  
Broadcasting Network in Korean 1223 GMT 24 Dec 94*

[Commentary by Yun Pyong-son: "Security Gibberish by an Old Beggarly Dog"]

[FBIS Translated Text] Nowadays in South Korea, people are ridiculed by an old beggarly dog that is barking, recklessly running around [yojum namjosone-sonun nuktari piromogun kaega punsuopsi torachimyo kungkung chijodaego issoso saramdurul ukkigo issumnida]. It is traitor Kim Chong-pil, leader of the Democratic Liberal Party [DLP], who visited a puppet army unit in the western front on 22 December.



Being unable to manage the garden of his house, the rascal made security gibberish [anbo taryong], talking about ridiculous things, such as the so-called globalization or something. He also displayed such an absurd behavior as calling for a strong defensive posture, mentioning illusion, degeneration, and the like.

Although an old beggarly dog's bark is not worth mentioning or discussing, I think I have to criticize it, in a few words, because its behavior is extremely loathsome.

First, Kim Chong-pil should behave himself, being correctly aware of his position. As everyone knows, Kim Chong-pil is a spiritless rascal [ssulgae ppajin nom] who should have been shot to death, along with traitor Pak Chong-hui, under the Yusin [Revitalization Reforms] system. The rascal is a fascist massacrer who, along with traitor Pak Chong-hui, raised the 16 May military coup and cruelly trampled the long awaited zeal of democracy by using U.S. tanks, as well as executed and massacred many patriots. He is also a vicious, flunkey, and nation-selling traitor who created various artificial obstacles on the road to independence, democracy, and reunification and completely sold out the interests of the country and the nation to the U.S. masters.

The rascal has been abandoned by history and the nation long ago because of the tremendous crimes he committed. Being abandoned not only by a broad range of the South Korean people but by the DLP, he is being driven out, like a dog.

This is plainly proven by the fact that Choe Hyong-<sup>1</sup>, former puppet home minister, who is said to represent the democratic faction of the DLP, has recently openly demanded that Kim Chong-pil give up the leadership of the DLP. Anyway, it is a common view at home and abroad that Kim Chong-pil will be faced with a tragic end in the near future.

It is needless to say that the rascal's recent unbecoming visit to the front area was aimed at winning the people's sympathy, more or less, and attaining his pitiful fame. What was worse is his repeated bark about security. The rascal gaspingly said that security is necessary for globalization, that security is necessary because the North will not easily yield, and the like in succession.

This clearly shows that there has been no change in his pursuit of North-South confrontation. As a proverb says "A habit acquired at three will persist to the end of one's life," the rascal's bad traitorous habit will not vanish until he is buried.

Sometime in the past, while wandering around the front area, he showed ill-advised bravery, saying he would fight with fellow countrymen (?with the South's current military capability). This time he constantly repeated the security gibberish.

The old beggarly dog is barking, being unaware of the world situation. Now when the DPRK-U.S. agreed framework has been adopted and its implementation is

successfully proceeding, the trend of detente is flowing into the Korean peninsula. Rascal Kim Chong-pil, however, is desperately repeating security gibberish in an effort to block this trend. How ridiculous his trick is!

If the rascal has even a single drop of the nation's blood, he should do even a small helpful thing for reconciliation and unity between the North and the South, in conformity with the atmosphere of detente.

It is clear that people can live comfortably only when the old beggarly dog abandoned by the nation dies. Kim Chong-pil had better behave himself, being correctly aware of his position. Kim Chong-pil should awaken himself that if he continues to bark out security gibberish, he will only face such a disgraceful fate as that of Pak Chong-hui.

### **ROK People, Papers Praise Kim Chong-il**

*SK2412102994 Pyongyang KCNA in English 1021  
GMT 24 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 24 (KCNA)—People and press of South Korea are highly praising the dear leader Comrade Kim Chong-il today, deeming it greatest pride and honour of the nation to have him as the supreme commander of the Korean People's Army.

A worker Choe at a company in Seoul said that General Kim Chong-il, who was born in Mt. Paektu and cultivated his strength from his childhood, is an outstanding military strategist with matchless grit and iron will and a great commander with distinguished commanding art, who makes a formidable enemy fall on its knees with a roar of command.

Corporal Choe of a unit of the South Korean puppet army said:

"The dear leader Kim Chong-il acquired the outstanding military idea and theory and unique commanding art of President Kim Il-song in his teens. And he has created a chuche-oriented military theory and tactics meeting the requirements of modern warfare and has armed the whole army and made it a-match-for-a-hundred ranks.

"General Kim Chong-il is a great master of military affairs produced by our nation."

The South Korean paper CHOSON ILBO noted that the North made wonderful achievements in army building under the wise leadership of supreme commander Comrade Kim Chong-il. The soldiers of the North have grown to be loyal subjects and dutiful sons who follow him, holding him in high esteem as the centre of unity.

HANGYORE SINMUN and other papers stressed that Comrade Kim Chong-il, supreme commander of the Korean People's Army, has strengthened and developed the people's army into ever-victorious iron ranks united in one idea and one purpose and that his matchless grit



and resolute decision bring a triumphant turn in the military and political situation.

### **Foreign Groups Urge Repatriation From South**

*SK2412045994 Pyongyang KCNA in English 0402  
GMT 24 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 23 (KCNA)—Organizations of foreign countries recently released statements urging the South Korean authorities to immediately send back to the northern half of Korea old Kim In-so, Ham Se-hwan and Kim Yong-tae, unconverted long-term prisoners, who are still detained in South Korea.

The Guyana-Korea Friendship Association in its statement said the successive military rulers of South Korea committed inhuman atrocity of keeping them behind bars over the past thirty odd years for the mere reason that they refused "ideological conversion".

If the South Korean authorities continue refusing to return them to the northern half of Korea, ignoring the just call of the world public, they will run into a stronger protest and condemnation by the world people, it warned.

The Burundi group for the study of the chuche idea in its statement vehemently condemned the South Korean authorities for their human rights abuses and demanded that they immediately scrap the "National Security Law", a political and institutional barrier against the reunification, and send the unconverted long-term prisoners right back to the northern half of Korea.

The Uganda-DPRK Friendship Association and the Ugandan National Committee for the Study of the Chuche Idea in a joint statement said that the South Korean authorities have persecuted the unconverted long-term prisoners of advanced age by hook or by crook by invoking unwarranted "laws" after setting them free, and still refuse to meet their just demand for the repatriation, adding that this deserves international protest and condemnation as a wanton violation of human rights.

The Tanzanian paper UHURU December 8 in an article urged the repatriation of the unconverted long-term prisoners in South Korea.

### **Hanminjon in Cuba Urges Repatriation**

*SK2412102594 Pyongyang KCNA in English 1016  
GMT 24 Dec 94*

[FBIS Transcribed Text] Havana, December 22 (KCNA)—Pak Kwang-ki, chief of the Havana Mission of the South Korean National Democratic Front (Hanminjon), called a press conference on December 19 and exposed the background of the so-called "brother and sister spy case", saying that the South Korean ruling quarters rigged up all sorts of "cases", arrested innocent people on the groundless charges of "plots of rebellion,"

"enemy-benefiting acts" and "spying" and sentenced them to heavy and capital punishment, each time they faced a serious political crisis.

"It is a rule in South Korea that in case a man sentenced to imprisonment on political charges refuses to be 'converted', he is kept in prison after he served his term and even a man who has been released at the expiration of his prison term is taken back to prison, if he refuses to write 'a letter of ideological conversion,'" he said, and went on:

"Among the unconverted long-term prisoners there are POWs of the People's Army including Kim In-so, Ham Se-hwan and Kim Yong-tae, who fought for the freedom and independence of the motherland and the reunification of the country during the fatherland liberation war.

"It is an unpardonable crime for the South Korean authorities to keep them from returning to their hometowns.

"The remainder of their life is not long.

"The Kim Yong-sam group must release the unconverted long-term prisoners still kept in prison and the prisoners of conscience without delay and unconditionally send back Kim In-so, Ham Se-hwan, Kim Yong-tae and other unconverted long-term prisoners who have their hometowns in the northern half of Korea."

### **Chongnyon Sponsors Lecture Praising Kim Chong-il**

*SK2712051994 Pyongyang KCNA in English 0449  
GMT 27 Dec 94*

[FBIS Transcribed Text] Tokyo, December 25 [date as received] (KNS-KCNA)—A lecture sponsored by the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) was given at the Korean Hall in Tokyo on December 24 to commemorate the 77th birth anniversary of Comrade Kim Chong-suk, an indomitable communist revolutionary fighter.

The lecture was attended by Chongnyon officials including First Vice-Chairman Yi Chin-kyu and Chief Vice-Chairman Ho Chong-man of the Chongnyon Central Standing Committee.

The participants heard a tape-recorded lecture on the revolutionary activities of Comrade Kim Chong-suk who dedicated her precious life to the noble cause for the people.

### **Relations With Cambodia Marked by Reception**

*SK2412112794 Pyongyang Korean Central  
Broadcasting Network in Korean 1300 GMT 21 Dec 94*

[FBIS Translated Text] On the evening of 20 December, the Central People's Committee hosted a reception at the Mansudae Assembly Hall marking the 30th anniversary



of the opening of diplomatic relations between the DPRK and the Kingdom of Cambodia.

Laau Bonna, charge d'affaires ad interim of the Cambodian Embassy here, embassy officials, and other Cambodian guests were invited to the reception.

Present at the reception were Vice President Yi Chong-ok; Kim Yong-nam, vice premier and foreign minister; Yi Song-tae, chairman of the External Economic Commission; Choe U-chin, vice foreign minister; Chon Yon-ok, vice chairman of the Committee for Cultural Relations With Foreign Countries; and other functionaries concerned.

Kim Yong-nam, vice premier and foreign minister, addressed the reception. He pointed out that diplomatic relations between Korea and Cambodia were established 30 years ago, and said the bonds of friendship and unity between Korea and Cambodia have been further deepened onto a new and higher stage since the establishment of diplomatic relations.

Referring to the gigantic work being briskly carried out in Cambodia for the nation's peace and stability, for national reconciliation and unity, and for the reconstruction and prosperity of the country, he expressed the belief that the royal government as well as the diligent and gifted fraternal people of Cambodia would build an independent and prosperous new Cambodia under the correct leadership of the esteemed His Majesty King Norodom Sihanouk.

He stated: As in the past, we will make energetic efforts to develop the traditional relations of friendship and cooperation with the fraternal Cambodian people on good terms.

Laau Bonna, charge d'affaires ad interim of the Cambodian Embassy, spoke next. He said the royal government and people of Cambodia will continue to learn from the progress and great development made by the Korean people in the economic, social, cultural, and other fields while under the wise leadership of his excellency Marshal Kim Chong-il, the supreme leader [choego yongdoja] of the DPRK.

He said the enormous accomplishments achieved by Korea stem from the united efforts of the Workers' Party of Korea and those who firmly rally around the party to carry through the chuche idea and the teachings of his excellency Generalissimo Kim Il-song, who will always be alive, thus further improving the material and cultural standard of the people, remarkably developing the national economy in all domains, and adding luster to the popular mass-centered socialism.

He noted that the Cambodian people invariably render firm and positive support to the just cause of the fraternal Korean people for peaceful reunification of the country through the confederacy formula.

He added that the royal government of Cambodia is convinced the close friendship, unity, and cooperation between the two countries will continue to be strengthened and developed in all aspects under the wise guidance of his excellency Marshal Kim Chong-il, the supreme leader [choego yongdoja] of the Korean people.

The participants of the reception toasted the friendship and unity between the peoples of Korea and Cambodia; the eternal life of the great leader Comrade Kim Il-song; the good health of the dear leader Comrade Kim Chong-il; and the good health of His Majesty King Norodom Sihanouk.

#### **Kang Song-san Greets New Slovak Prime Minister**

*SK2412101394 Pyongyang KCNA in English 1003 GMT 24 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 24 (KCNA)—Kang Song-san, premier of the Administration Council of the Democratic People's Republic of Korea, sent a message of greetings to Vladimir Meciar on his appointment as prime minister of the government of the Slovak Republic.

Believing that the cooperative relations between the two countries would further develop in the interests of the two peoples, the message wished him great success in his responsible work.

#### **LSWYK Delegation Returns From Hungary**

*SK2812092094 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 25 Dec 94*

[FBIS Translated Text] On 24 December, the delegation of the League of Socialist Working Youth of Korea [LSWYK] led by Choe Hyon-tok, vice chairman of the LSWYK Central Committee, returned home by air after participating in an enlarged session of the Coordination Executive Board of the World Democratic Youth League held in Hungary.

The delegation was met at the airport by Yi Yong-tok, vice chairman of the LSWYK Central Committee.

#### **Signed Article Hails National Day of Nepal**

*SK2812111394 Pyongyang KCNA in English 1022 GMT 28 Dec 94*

["MINJU CHOSON Hails National Day of Nepal"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 28 (KCNA)—The Korean people extend warm felicitations to the Nepalese people on their significant national day, says MINJU CHOSON in a signed article today.

Elaborating on the achievements made by the Nepalese people in their endeavours for the development of the



national economy and culture and for the independence and prosperity of the country, the author of the article says:

Pursuing a non-aligned foreign policy based on five principles of peaceful coexistence, the Nepalese Government rejects any form of interference in the internal affairs of the country and is developing friendly and cooperative relations with many countries of Asia and the world.

Recently, the Nepalese prime minister declared that the new government led by the Nepal Communist Party (United Marxism-Leninism) would not allow any interference in its external policy.

Korea and Nepal, both non-aligned nations, are developing friendly and cooperative relations with each other. The Korean people believe that these excellent relations of friendship and cooperation will grow stronger and develop in the future.

They sincerely wish the friendly Nepalese people bigger successes in their work to build a new society, independent and prosperous.

#### **Peru, Guyana Praise Kim Chong-il's Work**

*SK2812113294 Pyongyang KCNA in English 1018  
GMT 28 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 28 (KCNA)—Alberto Moreno, general secretary of the Central Committee of the Communist Party of Peru (Red Motherland), and Peter Persard [spelling of names as received], leader of the Amerindian Action Movement of Guyana, expressed support to the Korean people's cause of justice when they separately met with DPRK ambassadors on December 19 and 20.

Alberto Moreno described the work of the great leader of the Korean party and people Comrade Kim Chong-il "Socialism Is a Science" as a powerful weapon giving new faith and courage to the communists fighting for socialism.

Korean-style socialism built by the great leader President Kim Il-song and led by Comrade Kim Chong-il shows the vitality and invincibility of socialism, he said, wishing Comrade Kim Chong-il greater success in his work to successfully carry forward President Kim Il-song's cause.

Peter Persard hoped that Korea would be reunified in 1995 under the wise guidance of the great leader Comrade Kim Chong-il and stated that he would continue to support the Democratic People's Republic of Korea and the Korean people in the struggle for the prosperity and reunification of the country.

#### **Daily Dedicates Article to Ghana Relations**

*SK2812113794 Pyongyang KCNA in English 1026  
GMT 28 Dec 94*

["Korea-Ghana Diplomatic Ties 30 Years Old"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 28 (KCNA)—MINJU CHOSON today dedicates a signed article to the 30th anniversary of the establishment of diplomatic relations between Korea and Ghana.

Noting that the friendly and cooperative relations between the two countries have developed on good terms after the opening of the diplomatic relations. The article says.

This conforms to the interests of the governments and peoples of the two countries and contributes to strengthening unity and cooperation with the countries of the new-emerging forces.

Pursuing a nonaligned policy externally, the Ghanaian Government is developing friendly and cooperative relations with many countries and striving to establish a new equitable international order.

The Korean people rejoice over the Ghanaian people's achievements in building a new society and wish them a greater advance in their work. The Korean people express the belief that the friendly and cooperative relations between Korea and Ghana will grow stronger and develop in the future.

#### **Kim Yong-nam, Swiss Official Exchange Greetings**

*SK2812114194 Pyongyang KCNA in English 1028  
GMT 28 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 28 (KCNA)—Korean Foreign Minister Kim Yong-nam exchanged messages of greetings with Flavio Cotti, chief of the Federal Department of Foreign Affairs of the Swiss Confederation, on the occasion of the 20th anniversary of the opening of diplomatic relations between the two countries.

Kim Yong-nam in the message expressed the belief that the friendly and cooperative relations between the two countries would expand and develop in the idea of independence, peace and friendship.

In the message, Flavio Cotti said that in recent years, the two countries have made progress in their mutual interests and expressed the hope that the relations between Korea and Switzerland would grow stronger and develop in the future.

#### **Seminars Abroad Study Kim Chong-il's Work**

*SK2812044194 Pyongyang KCNA in English 0407  
GMT 28 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 28 (KCNA)—Seminars on the famous work of the great leader of our party and our people Comrade Kim Chong-il "Socialism Is a Science" were held at the Society for the Study and Dissemination of the Chuche Idea in



Berlin, the Nicaraguan Group for the Study of Kimchongism and the Stockholm Committee of the Communist Party Kpml [as received] (R) of Sweden.

A meeting for explaining the work was held at the Italian Committee for Reunification and Peace in Korea.

Secretary of the Committee Pioppi said in his speech that the work signified a hard blow at the renegades of socialism and opportunists who clamour about the "end of socialism" and an encyclopedia and a banner indicating the road to the victory of the socialist cause.

A lecture on the work was held at the group of Latin Americans in Geneva for the study of the *chuche* idea.

#### **Seminar on Chuche Idea, Study Center Held**

*SK2712044694 Pyongyang KCNA in English 0408 GMT 27 Dec 94*

[Spelling of all names as received]

[FBIS Transcribed Text] Pyongyang, December 26 (KCNA)—A seminar on the *chuche* idea and the role of the International Study Center for Chuche-Oriented Mass Media was held in Nepal.

R.K. Pradhan, secretary general of the International Study Center for Chuche-Oriented Mass Media in Nepal, in his opening address reviewed the activities for dissemination of the *chuche* idea among the Nepalese people for last six years since the foundation of the center and referred to the direction of its future.

The general secretary of the Central Committee of the Nepal Communist Party (United Marxism-Leninism) who is deputy prime minister, foreign minister and defence minister of the Nepalese Government said that the *chuche* idea is the idea embodying the spirit of independence.

If any country wants independent development, it should accept the *chuche* idea, he noted, and went on:

"The *chuche* idea founded by Comrade Kim Il-song, the outstanding leader of the world revolution and the great leader of the Korean people, is being successfully applied under the wise guidance of the supreme leader of the Korean people Comrade Kim Chong-il.

"I wish the great Comrade Kim Chong-il big success in the struggle for the accomplishment of the cause of *chuche* and the reunification of the country."

Narayan Man Bijukchhe, member of parliament and chairman of the Nepal Worker-Peasant Party, said that the *chuche* idea is the universal idea acceptable to anyone.

He continued: "The *chuche* idea is necessary for our independent development.

What is important in studying the *chuche* idea of Korea and the experience established by its application is to expand and develop exchange between the two countries.

To this end, the new government must quickly conclude an agreement on cultural exchange with Korea and learn from the experience of Korea in independent development."

Keshar Jung Rayamaj, chairman of the Democratic Socialist Party of Nepal, said that Comrade Kim Il-song founded the *chuche* idea that man is master of his own destiny and man is capable of shaping his own destiny and brilliantly applied it to the reality of Korea.

Manik Lal Shrestha, chairman of the Nepal Institute for Chuche Studies, stressed that the *chuche* idea founded by the great leader Comrade Kim Il-song is being enriched and developed by the great leader Comrade Kim Chong-il.

The treatise "Socialism Is a Science" recently published by Comrade Kim Chong-il theoretically proves that scientific socialism is still alive as science in the minds of the people and will be immortal, he said.

#### **Kim Chong-il Sends Thanks to Functionaries**

*SK2612102794 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 22 Dec 94*

[FBIS Translated Text] Comrade Kim Chong-il, the great leader [widaehan yongdoja] of our party and people and the supreme commander of the Korean People's Army [KPA], has sent thanks to units and working people for highly displaying the traditional laudable ethos of army-people unity. Recipients of thanks from the KPA Supreme Commander Comrade Kim Chong-il are as follows:

Changgang County Party Committee; Kanggye City Export Handicraft Cooperative; Kujang County Party Committee; Chongju City Army-People Restaurant; North Hamgyong Province People's Hospital; the farm where Comrade Hwang Yong-pok works; Munchon city Disabled Soldiers' Electronic Daily Necessities Plant; Yupyong Forestry Station; Korea Documentary Film Studio; Korea Scientific and Educational Film Studio; Scientific Encyclopedia General Publishing House; Pyongyang Hat Plant; the fourth party cell of the Reception Department of Ongnyugwan; Chong Yi, primary party secretary of Changgwang Export Garment Plant; Cho Son-chun, guide of the (?state-managed forestry) of Chonchon County, and his family; Yun Hye-Chin, who lives in Kangdok 2-tong, Songpyong District of Chongjin city; Tu Yong-sim, teacher of Yongchon People's School in Kyongsong County, and his family; Yi Kun-yol, chief of Taedong County Party Committee, and his wife Yim Sang-won; So Myong-kil, student of Pyongsong Senior Middle School in Pyongsong city, and his family; Yi Kwang-ok and his family of Taepung-ri in Chongdan



County; Hwangbo Song-ki and his family of (Chungjisok-tong), Hang District; Yun Song-kwang, crew of a trade ship of Marine Transportation Ministry, and his family; Kang Myong-son, guide of the material supply office of the External Service Department of Administration Council; Mun Yong-yo, worker of bereaved families' light labor work site management committee of Chung District, and her family; Choe Kyong-ok of Changgwang-tong, Chung District; Chong Un-sik of Tongdaewon 2-tong, Tongdaewon District, and his family; and Kim Tok-mo of Hungbu-tong, Moranbong District.

Upholding the respected and beloved leader's [suryong] will, functionaries of Changgang and Kujang County Party Committees set examples in supporting the People's Army while arousing the working people to the struggle to thoroughly implement the party's revolutionary economic strategies. In the counties, beautiful deeds of caring and loving the Army units bloom every day. Activities to win the title of exemplary county of army-people unity are being more vigorously carried out.

Functionaries and employees of Korea Documentary Film Studio, Korea Scientific and Educational Film Studio, Yupyong Forestry Station, and Pyongyang Hat Plant, who support the People's Army very well bearing deep in their hearts the party's intention to stress military affairs, recently visited the units of the People's Army and shared fraternity between army and people.

Families of functionaries and working people are also well aware that socialism of our own style can be firmly defended when the People's Army is strong and actively supporting the Army. Chong Yi, primary party secretary of Changgwang Export Garment Plant, changed the great sorrow of losing the fatherly leader into hundreds and thousands-fold strength, and stirred the entire plant with the commitment to implement the party's light industry-first policy. Chong also visited Army units with thoughtfully prepared relief goods on various occasions to engrave deeper in the soldiers' hearts the iron-clad faith and will that our people, who uphold the respected and beloved supreme commander, will always win.

Yi Kun-yol, chief of Taedong County Party Committee, and his wife Yim Sang-won; Yun Hye-Chin of Kangdok 2-tong, Songpyong District of Chongjin city; Tu Yong-sim, teacher of Yongchon People's School in Kyongsong County, and his family; and Chong Un-sik of Tongdaewon 2-tong, Tongdaewon District, and his family; are helping the soldiers wholeheartedly, saying that there is nothing too precious for the fighters of the comrade supreme commander.

Functionaries and working people of various units, who ardently received the message of thanks from the KPA Supreme Commander Comrade Kim Chong-il with great honor, are vigorously waging the struggle to better support the People's Army and implement their own revolutionary duties, while bearing the great trust they received for what they did merely as citizens of the Republic.

### **Kim Chong-il Sends Gift to Centenarian**

*SK2612044094 Pyongyang KCNA in English 0427  
GMT 26 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 26 (KCNA)—The great leader Comrade Kim Chong-il sent a centenary birthday table to old woman Kim Chil-tok residing in Taedonggang district, Pyongyang municipality, on December 24.

The rank of centenarians is increasing in Korea under the popular policy of the state.

The family and relatives of the old woman vowed to defend and further glorify the party and the socialist motherland, conveying this love and benevolence shown to an ordinary worker's family down through generations.

### **Concert Marks Kim Chong-il's KPA Anniversary**

*SK2512084694 Pyongyang KCNA in English 0810  
GMT 25 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 25 (KCNA)—A loyal concert of young vanguards took place at the Central Youth Hall on December 24 on the occasion of the third anniversary of the election of the dear leader Comrade Kim Chong-il as the supreme commander of the Korean People's Army.

Present were Kim Chung-nin, secretary of the Central Committee of the Workers' Party of Korea, No Yong-hae, chairman of the Central Committee of the League of Socialist Working Youth, and youth and students in the city.

At the concert the performers sang songs and recited poems with the feelings of infinite reverence for the dear leader Comrade Kim Chong-il, an ever-victorious, iron-willed brilliant commander who is always leading our people and Army along the straight road of victory and glory.

They renewed their determination to accomplish the revolutionary cause of chuche down through generations, cherishing deeper in mind the revolutionary faith that led by the great brilliant commander we will emerge victorious and the iron will to become rifles and bombs to defend the respected supreme commander and remain loyal to him for ever.

An evening gala of young servicemen of the Ministry of Public Security was held on the same day.

### **Yi Chong-ok, Others Attend Dance Performance**

*SK2412044094 Pyongyang KCNA in English 0418  
GMT 24 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 24 (KCNA)—A music and dance performance of the artistes of the Korean People's Army song and dance ensemble and an evening gala of the Ministry of the



People's Armed Forces were held on December 23 in celebration of the third anniversary of the election of the great leader of our party and our people Comrade Kim Chong-il as the supreme commander of the Korean People's Army.

Seeing the performance given at the February 8 House of Culture in Pyongyang were Kang Song-san, Yi Chong-ok and other senior party and government officials, anti-Japanese revolutionary fighters, generals and soldiers of the Korean People's Army and working people in the city.

The members of the delegations of the General Association of Korean Residents in Japan (Chongnyon) and home-visiting groups staying in the socialist homeland also appreciated the performance.

The colorful program included the orchestral music and chorus "Sound of Horse's Hoofs in Mt. Paektu," the vocal solo and chorus to the accompaniment of Kayagum "My Country Blessed With Sagacious Leader and Loyal People," the men's chorus "Our Comrade Kim Chong-il," the song and dance "We Pledge" and other colorful numbers.

The performers sang in an excited tone of the greatest honor and pride of a-match-for-a-hundred soldiers in demonstrating their invincible might with the great brilliant Commander General Kim Chong-il, the most distinguished great man and military genius of the present century at the head of the revolutionary Armed Forces and their unshakable faith and will to remain unfailingly faithful to the leadership of the supreme commander with a single heart and defend the socialist cause of *chuche* to the end in hearty response to the behests of the fatherly leader.

The participants in the evening gala of the Ministry of the People's Armed Forces held at the Victory Square in Pyongyang on the occasion extended highest glory to Comrade Kim Chong-il, the supreme commander, who has always wisely led the party, the people and the People's Army along a straight road to victory and thus firmly defended the sovereignty of the country and the dignity of the nation and glorified Korea of *chuche*, dancing merrily to the melodies of the songs "Glory to the Dear Leader," "The Dear Leader Is With Us" and "Song of Best Wishes".

Meetings took place at the People's Army units on the occasion.

#### **Further on Anniversary of Kim Chong-suk Birth**

##### **KCNA Describes Events**

SK2412104594 *Pyongyang KCNA in English 1034*  
GMT 24 Dec 94

[FBIS Transcribed Text] Pyongyang, December 24 (KCNA)—The 77th birth anniversary of Comrade Kim Chong-suk, an indomitable communist revolutionary

fighter and an anti-Japanese heroine (December 24, 1917) is being significantly greeted in Korea. Every day tens of thousands of people with wreaths and bouquets are visiting the Revolutionary Martyrs Cemetery on Mt. Taesong here where her bust is standing.

Working people and school youths and children across the country are calling at places associated with her revolutionary records and recollecting her brilliant life.

Comrade Kim Chong-suk was a brilliant paragon of the *chuche*-type communist revolutionary who personified loyalty to the respected leader President Kim Il-song on the highest level. This is why she is still alive in the minds of the Korean people as an immortal.

The Korean people erected her statues and built revolutionary museums in Hoeryong City, North Hamgyong Province, where she was born and spent her childhood and in Kim Chong-suk County, Yanggang Province, where she conducted underground revolutionary activities in the period of the anti-Japanese armed struggle.

Monuments are seen at the revolutionary sites of Comrade Kim Chong-suk in different parts of the country.

"The Revolutionary Museum of Comrade Kim Chong-suk" in Hoeryong has been visited by more than ten million people of all walks of life and more than 200,000 foreigners and Koreans overseas over the past 20 years after its opening.

Many trees bearing slogans praising her have been discovered and are preserved in Yanggang and North Hamgyong Provinces and other areas where anti-Japanese revolutionary fighters were active. Among them are slogans reading "Long live Kim Chong-suk, the heroine of Mt. Paektu" and "Record Kim Chong-suk, an anti-Japanese woman general of Mt. Paektu, in immortal letters in the complete history of Korea."

"Comrade Kim Chong-suk, the Woman General of Mt. Paektu" (four volumes), "Comrade Kim Chong-suk, an Indomitable Revolutionary Fighter and an Anti-Japanese Heroine" and many other books give detailed accounts of her life and revolutionary activities.

Widely read among the people is the full-length novel "On the Road of Loyalty" (three parts) telling about the childhood of Comrade Kim Chong-suk and her life in the period of the anti-Japanese revolutionary struggle.

Many feature films, operas, dramas, poems and songs about her have been created and disseminated.

The government of the Democratic People's Republic of Korea took measures to attach the name of Comrade Kim Chong-suk to places associated with her historical records, reflecting the unanimous desire of the Korean people to learn from her revolutionary spirit and convey her undying exploits through generations. So, Sinpa County, Sinpa-up, the Hoeryong Teachers Training College, the Hyesan University of Education No. 2 and the Sinpa Girl's Senior Middle School were named after Comrade Kim Chong-suk.



A well-furnished weekly nursery built at a scenic spot at the foot of Moran Hill, Pyongyang, was also named after her.

### **Kang Song-san at Wreath Ceremony**

*SK2712075394 Pyongyang Korean Central  
Broadcasting Network in Korean 1300 GMT 24 Dec 94*

[FBIS Translated Excerpt] People from all walks of life and soldiers of the People's Army are visiting Comrade Kim Chong-suk's statue at Taesongsan Revolutionary Martyrs' Tomb day after day on the 77th anniversary of her birth, an indomitable communist revolutionary fighter. [passage omitted on people admiring Comrade Kim Chong-suk]

Amid endless loyalty, the party and government cadres; workers; soldiers of the People's Army; and youth and students dedicated wreaths, and flowers in front of Comrade Kim Chong-suk's statue at Taesongsan Revolutionary Martyrs' Tomb this morning. A wreath sent by Comrade Kim Chong-il, great leader [yongdoja] of our party and people and supreme commander of the Korean People's Army [KPA], was placed in front of the statue.

KPA honor guards were standing in front of Comrade Kim Chong-suk's statue. Comrades Kang Song-san, Choe Kwang, Kye Ung-tae, Chon Pyong-ho, Choe Taepok, Choe Yong-nim, Yang Hyong-sop, Kim Ki-nam, Kim Kuk-tae, Kim Chung-nin, Kim Pok-sin, Chang Chol, and Pak Nam-ki; responsible functionaries of the party and power organs, military organs, administrative and economic organs, social organizations, and central organs; officers and men of the KPA; anti-Japanese revolutionary fighters; responsible functionaries of the science, education, culture and art, health, and press and publication sectors; workers of the city; soldiers of the People's Army; and youth and students were on hand to lay the wreaths. [passage omitted describing wreath laying ceremony]

### **People Pay Respect**

*SK2412103494 Pyongyang KCNA in English 1025  
GMT 24 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 24 (KCNA)—Today is the 77th anniversary of the birth of Comrade Kim Chong-suk, a heroine of the anti-Japanese revolutionary struggle and an indomitable communist revolutionary fighter, (December 24, 1917).

On this day a great many Korean people are visiting the Revolutionary Martyrs Cemetery on the peak of Chuchak Hill of Mt. Taesong.

There is a bust of Comrade Kim Chong-suk in the cemetery.

She was a paragon of the communist revolutionary of *chuche* type who personified noblest loyalty to the great leader President Kim Il-song.

According to data available at the Revolutionary Martyrs Cemetery preservation office under the General Bureau for the Management of Mt. Taesong, some 2,180,000 people of different strata have visited the bust of Comrade Kim Chong-suk from January this year.

In this period some 7,980 foreigners and overseas Koreans visited there and honored her memory.

From July when President Kim Il-song suddenly passed away, 1,872,940 people went to the Revolutionary Martyrs Cemetery with respect and longing for Comrade Kim Chong-suk.

The visitors can hardly keep back tears, overcome by ardent longing for Comrade Kim Chong-suk and compunction for having failed to fulfill her words exhorting them to uphold the fatherly leader with a loyal heart.

They renew their determination to hold the great leader Comrade Kim Chong-il, the destiny and future of the country, with more intense loyalty, true to the behests of President Kim Il-song.

### **Unions Hold Plenary Meetings on Treatise**

*SK2812044294 Pyongyang KCNA in English 0415  
GMT 28 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 28 (KCNA)—Plenary meetings of the Central Committees of the General Federation of Trade Unions of Korea, the League of Socialist Working Youth of Korea, the Union of Agricultural Working People of Korea and the Korean Democratic Women's Union were held in Pyongyang.

The plenary meetings discussed the tasks of the working people's organisations to thoroughly apply "Socialism Is a Science," a famous work of the great leader of our party and people Comrade Kim Chong-il.

The reporters and speakers said that the work, a grand encyclopedia which formulates socialism as man-centred socialism, socialism centred on the masses, on the basis of the profound principle of the *chuche* idea and comprehensively expounds its scientific accuracy, truth and advantages, is an immortal library and an inspiring banner for reviving the socialist movement and leading it to victory at the present time.

They elaborated on the tasks of working people's organisations to firmly arm all their members with the idea and theory of the work, further cement the singlehearted unity of the leader, the party and the masses and defend and glorify socialism.

### **Kim Pyong-sik, Other Officials View Film**

*SK2812044094 Pyongyang KCNA in English 0412  
GMT 28 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 28 (KCNA)—The 20th part of the multi-part feature film "The Nation and Destiny" was recently released by the



Korean film studio. Serials of the film are being created as monumental masterpieces of the era under the energetic guidance of the party.

Vice-President Kim Pyong-sik and other senior party and government officials saw its 20th part at the People's Palace of Culture on December 27.

The film scathingly exposes the national discrimination policy and brutalities of the Japanese imperialists against the Korean nation through the checkered life of Yim Un-chong, (Kioshi Izumi), a naturalized Japanese woman, who is the heroine of the film.

Throwing a revealing light on the crimes of the Japanese imperialists in drafting a great many Korean women as "comfort women for the army" and forcing them to sex slavery, the movie vividly represents the bitter resentment and deep-seated grievances of the Korean people against them.

It also impressively shows the great vitality of the benevolent policy of the Workers' Party of Korea through the moving story about the marriage table sent by the great leader Comrade Kim Chong-il to the son of another Japanese woman who leads a happy life in the warm bosom of the Democratic People's Republic of Korea after losing her husband and being forsaken in Japan.

#### **KCNA Praises New Films With Artistic Value**

*SK2712043294 Pyongyang KCNA in English 0417 GMT 27 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 26 (KCNA)—A number of movies of rich ideological and artistic value have been created in Korea.

Conspicuous among the films released this year are the sequels of "The Nation and Destiny" (Part 17-19), a multi-art feature film appraised as a masterpiece of world's level.

Parts 17 and 18 of the film are based on the life of Ho Chong-suk who was a renowned woman political figure of Korea.

Born into a patriotic lawyer's family in Seoul, she plunges herself into the revolution when she was still a young girl. But, she covers the road of a chequered life, finding no intelligent leader.

Anatomizing the tragic situation of the early communist movement in the 1920s which was torn into factions due to scrambles for hegemony, the movie fully substantiates the truth that a country under foreign domination can be restored and its nation be saved only when a great leader is acclaimed.

Part 19 shows the great vitality of the benevolent politics of the Workers' Party of Korea through the portrayal of a Japanese woman who enjoys a blessed life in the bosom of the Democratic People's Republic of Korea after

undergoing diversified turns and twists of a chequered life under all manner of maltreatment and humiliation.

The feature films "The Young Chief of Staff" (Part 1 and 2), "The Political Commissar of the Eighth Regiment" (the first and second parts), "Our Mother Was a Hunter", "The Shield" (Part 1 and 2), "General Hongui", the second part of "Japanese Invasion of Korea in 1592-1598", are masterpieces that enriched the cinematic treasurehouse this year.

The feature film "The Young Chief of Staff" is highly appreciated as a successful work of military theme which fully reflects the demand of the times.

The hero of the film, Pak Yong-dok, has grown into a full-fledged military commander under the loving care and trust of the great leader President Kim Il-song. Appointed as chief of staff of the frontline command during the fatherland liberation war, he commands the battles in Kumchon area, through which he proves the truth that when one fights by the chuche-based method of war indicated by the supreme commander Comrade Kim Il-song he can tide over any difficulty and always emerge victorious. The working people are deeply impressed by the feature film "The Political Commissar of the Eighth Regiment", which records historical facts in the mid-70s in the brilliant life of Comrade Kim I, a staunch communist revolutionary fighter and a prominent activist of the party and the state who was wholeheartedly and intensely loyal to the party and the leader, the fatherland and the people until the last moments of his life from the day of his participation in the anti-Japanese revolutionary struggle led by President Kim Il-song.

The feature film "Young People Building the Native Village", "Oath", "The Daughter of a Veteran" and "A Kind Girl" are of high educational value, which portray noble human beings today who think of others before themselves and devote their all to the society and the collective.

The studio has produced many other feature films of diverse themes reflecting the noble mental world of veterans and young men and women of the new generation who are creditably carrying forward the revolution. The newly released films have rendered more beautiful the flower garden of chuche-oriented cinema art.

#### **Radio Reports Increase in Electric Power**

*SK2612042094 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 24 Dec 94*

[FBIS Translated Text] Electric power producers of Sunchon Thermal Power Plant are continuously effecting innovations in producing electric power, upholding the party's revolutionary economic strategies.

The total amount of electric power that electric power producers at the first and second work shops of this power plant—who are vigorously advancing, filled with



faith and optimism under the dear leader Comrade Kim Chong-il's leadership—have produced since the beginning of this year increased by 96 million kw from the same period last year.

Meanwhile, workers at the thermal repair shop and the electric turbine repair shop completed the general repair of the No. 2 generator, more than 10 days ahead of schedule, making contributions to the increase of electric power production.

### South Korea

#### Hubbard Offers Reassurance at Ministry Meeting

SK2812011494 Seoul YONHAP in English 0056 GMT  
28 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 28 (YONHAP)—Washington reassured Seoul Wednesday that a U.S. official's visit to North Korea will be limited to obtaining the repatriation of an American pilot and that he will not respond to any other issues.

Deputy Assistant Secretary of State Tom Hubbard, meeting Chang Chae-yong, director-general for American Affairs at the Foreign Ministry, confirmed that his Pyongyang visit is meant solely to negotiate the release of U.S. Army Chief Warrant Officer Bobby Hall.

"In briefing Director-General Chang about the purpose of his trip, Mr. Hubbard said he will not engage in matters other than Hall's repatriation even if they are raised by North Korea," a ministry spokesman said after the meeting.

Inside sources said, however, that the two officials went over the issues that North Korea is likely to broach with Hubbard.

Pyongyang strategically avoided resolving Hall's repatriation through military negotiations and asked Washington to send an envoy for a "political" solution.

The sources said Hubbard and Chang covered their two countries' positions on the matter North Korea is most likely to bring up—its demand that the Korean armistice be replaced with a peace treaty.

Hubbard left for the truce village of Panmunjom aboard a military helicopter right after the meeting. He is the highest incumbent U.S. official to travel to North Korea.

Two U.S. airmen manning a helicopter strayed into North Korean airspace last week. While Hall survived, co-pilot David Hilemon died in the incident.

Seoul officials, trying to publicly clear up any misunderstandings about Hubbard's trip to Pyongyang, emphasized that its purpose is purely humanitarian and carries no political implications.

Chang told Hubbard Seoul is "reassured" that the visit is aimed at bringing back the captured pilot, and that this

is part of Washington's comprehensive efforts to secure Hall's release at the earliest possible date.

#### DLP Official 'Strongly' Denounces U.S. Moves

SK2812121994 Seoul KBS-1 Radio Network in Korean  
1000 GMT 28 Dec 94

[FBIS Translated Text] Yi Se-ki, chief policy maker of the Democratic Liberal Party [DLP], met with newly appointed Foreign Minister Kong No-myong, who made his first courtesy call on the party office today, and strongly denounced the U.S. attitude toward negotiations on the repatriation of the U.S. Army helicopter pilot detained by North Korea. Yi Se-ki said the United States appears too hasty in negotiations with North Korea and urged Foreign Minister Kong No-myong to request that the United States correct [sijong] its attitude.

#### Editorial Urges U.S. Prudence in DPRK Dealings

SK2812095494 Seoul SEOUL SINMUN in Korean 28  
Dec 94 p 3

[Editorial: "The United States Must Have Correct Knowledge About North Korea"]

[FBIS Translated Text] The resolution of the incident in which a U.S. military helicopter made an emergency landing in North Korea is unfolding in an undesirable manner. North Korea threatened it will investigate the incident and handle the surviving pilot according to its military law. It is also demanding the United States make a sincere apology regarding the incident, and that a high-ranking official be dispatched to discuss the repatriation of the surviving pilot. The United States, surprised over North Korea's demands, hurriedly dispatched the U.S. deputy assistant secretary of state to Pyongyang. This is indeed a matter of great concern which was bound to occur.

This incident makes us again consider that North Korea is still North Korea. North Korea-U.S. relations have greatly improved since the nuclear agreement, and thus it is felt North Korea will not use this incident politically; common sense implies as much. However, North Korea does not acknowledge common sense. Under the pretext of the accord on North Korea's nuclear development, North Korea was assured that relations with the United States would be improved and that Pyongyang would receive assistance in the form of light-water reactors and energy amounting to \$4 billion.

Nevertheless, North Korea is not a country to overlook a U.S. military helicopter crossing its border. In the past, North Korea would not allow such an incident to pass; moreover, Pyongyang has shown perseverance in thoroughly using this with every means and methods. North Korea will not obediently hand over the pilot. The useless Christmas repatriation was only a foolish desire.



We must not forget the reality of North Korea and the fact that we are dealing with North Korea under such a situation.

We cannot but be disappointed by the fact that the United States is once again embroiled in and being dragged about by North Korea's strategy. We understand the difficulties the United States faces in trying to rescue its detained soldier, and we feel frustrated we cannot help, but we also feel it is not correct to sacrifice a principle to achieve a goal. It is a problem for the United States to do as North Korea asks—such as the commander of the U.S. Forces Korea sending a letter of apology upon North's request, or saying it was an inevitable accident and hurriedly dispatching the U.S. deputy assistant secretary of state to North Korea.

We must be vigilant about the political goal which North Korea seeks through this incident. North Korea seeks to highlight the insignificance and ineffectiveness of the armistice agreement system and to create an atmosphere to exclude the ROK and conclude a peace agreement with the United States. In connection with the dispatch of the U.S. deputy assistant secretary of state to Pyongyang, the United States and the ROK both pledged that North Korea must not bestow any other significance than the purpose of releasing the pilot. This incident cannot be resolved through merely a pledge. However, it seems North Korea has already achieved the object it had in mind.

We hope this incident will be an opportunity for the United States to all the more cool-headedly recognize North Korea's actual circumstances. We ask our government to take a more active and offensive attitude regarding a peace agreement. It is all the more necessary that a peace agreement on the Korean peninsula be achieved by the concerned parties in South and North Korea. The world, including the PRC and Russia, sympathize with this. Whatever North Korea's real intention, there is no reason for us to be forced onto the defensive. Rather, we must confidently conduct an active offensive.

#### **Concern Over Bypass of MAC in U.S.-DPRK Talks**

*SK2812064294 Seoul HANGYORE SINMUN in Korean  
28 Dec 94 p 3*

[Article by Kim Song-ho: "The Government's View of North Korea-U.S. High-Ranking Contact"]

[FBIS Translated Text] The government holds a negative view toward U.S. Deputy Assistant Secretary of State Thomas Hubbard's Pyongyang visit for the solution of the U.S. helicopter incident. The government expressed concern and discomfort over the fact that the negotiations over the release of a U.S. helicopter pilot would bypass the Military Armistice Commission [MAC] and lead to political negotiations between North Korea and the United States.

The government is especially anxious about the possibility that direct contact between North Korea and the United States will escalate into political negotiations on the current armistice agreement system.

North Korea has already succeeded in bypassing the MAC on the issue of returning the remains of Chief Warrant Officer David Hilemon and holding direct U.S.-North Korea military contacts. The government has expressed its regrets over North Korea's attempt to invalidate the role of the MAC. Nonetheless, North Korea is proceeding according to its strategy of moving toward high-ranking political contact in negotiations for the repatriation of surviving Chief Warrant Officer Bobby Hall, and the United States is complying with this.

The United States has reportedly explained to our government that Hubbard's visit has no other political purpose than that of holding discussions on the release of the captured pilot. The United States also revealed that the United States was prompted into the decision to dispatch Hubbard to North Korea because, although North Korea did not commit itself, it indicated that sending someone above the level of deputy assistant secretary would help resolve the issue. In other words, this indicates that Hubbard's visit is nothing but a conciliatory step for the release of Chief Warrant Officer Hall within this year.

Viewed from another perspective, the North Korean Foreign Ministry may have called for the U.S. Government official's Pyongyang visit as a means to soothe the North Korean military in a situation where the Foreign Ministry and the military are at odds over the handling of the helicopter incident.

The North Korea-U.S. military contact which was held in Panmunjom failed to narrow differences in views regarding the reason for the U.S. helicopter's intrusion of the North Korean airspace. Hubbard's visit to North Korea serves as a momentum in shifting negotiations to the channel between the U.S. State Department and North Korean Foreign Ministry.

A relevant government official said: "The ROK-North Korea-U.S. tripartite structure over the helicopter incident resembles that of the Geneva nuclear negotiations. It is true that North Korea has gained an opportunity to broach the issue of the peace agreement with the United States." He added: "As in the case of the nuclear issue, however, the issue on replacing armistice system cannot be discussed without negotiations between the North and the South."

With the government appearing to be a mere bystander that has been pushed away from North Korea-U.S. negotiations on the helicopter incident, some government officials point out that the government needs to be more active in dealing with the armistice agreement issue.



### Editorial Deplores U.S. Plans for Immigrants

SK2812055494 Seoul KYONGHYANG SINMUN in Korean 27 Dec 94 p 3

[Editorial: "The Nation of Immigrants To Treat Immigrants Harshly"]

[FBIS Translated Text] The U.S. Republican Party, which is expected to dominate the U.S. Senate and Congress next year, is moving to revoke various public welfare benefits and services offered to legal immigrants with denizenship. This cannot but be regarded as a new type of racial discrimination. The bill, called "The Personal Responsibility Act" being pushed for by the U.S. Republican Party, stipulates that the federal government would rescind [paktal] various welfare benefits it provided in the past, to immigrants who failed to obtain citizenship.

The bill points out the cancellation of no less than 60 welfare benefits such as supplementary subsidies for cost of living, allowance for dependents, immunization for children, housing assistance, and school lunches. The bill also forces immigrants with denizenship to choose one of two—abandon welfare benefits, or get a job. This has touched off great uneasiness to many immigrants, including our compatriots, who went to the United States to seek new opportunities. The U.S. Republican Party emphasizes that this bill is designed to reduce the federal government's deficit. However, the actual amount of money that can be saved in a year amounts to only \$5 billion. This amount is less than one-twentieth of the overall deficit of the federal government.

This being the fact, one can hardly understand the current legislation plan from an economic viewpoint of seeking to reduce deficits. Rather, greater credibility is given to the assessment that collective egoism is erupting on a full scale among middle-class white men who helped the Republican Party win an overwhelming victory. This also brings to mind the terrorism and persecution of immigrants from third countries now taking place in Europe, such as Germany and France.

U.S. history is, in a word, the history of immigrants, and the United States is a nation founded by immigrants. Thus, the United States has been called the nation of opportunities. Needless to say, such opportunities mean opportunities which can be acquired by most immigrants only when they overcome discrimination, be it legal or illegal. The group which immigrated first, promoted its social and economic position while criticizing [kubak hamyonso] the new groups that followed them. As a result, the initial group rose to upper and middle-class positions in the United States and the so-called 3-D [dirty, difficult, and dangerous] jobs were always filled by the new immigrants. This social movement and division of roles were important factors to making the United States the strongest nation in the world that it is today.

Nevertheless, if the U.S. Republican Party enforces the undisguised discrimination policy against new immigrants by taking side with the collective egoism of the so-called middle-class circles, the United States will not be able to emphasize humanitarianism before anyone nor take pride in its moral superiority. The U.S. Republican Party should rightfully withdraw the "anti-immigrant law" which will impair the U.S. tradition of humanitarianism and morality.

### Participation in Tumen River Projects Reported

SK2512134894 Seoul MUNHWA ILBO in Korean 23 Dec 94 p 13

[Article by reporter Yang Pyong-ha: "\$1.32 Million Invested in Tumen River Area Development"]

[FBIS Translated Text] The second-round of projects of the United Nations Development Program's [UNDP] Tumen River area development program will be pushed ahead full-fledgedly beginning in 1995. The Ministry of Science and Technology has recently disclosed that it has decided to participate in eight projects, including an airport construction plan, and that the ROK is planning to invest \$1.325 million in them.

The UNDP's Tumen River area development program was initiated with the objective of developing the areas adjacent to the Tumen River into a place of strategic importance for transportation and tourism and a center for processing and manufacturing in Northeast Asia. This project was launched with an agreement of the delegates from North and South Korea, China, and Mongolia at a UNDP meeting held in Ulaanbaatar Mongolia in July 1991.

Carrying out a \$4.5 million regional cooperative project with the joint participation of the four countries, the UNDP provided a legal and systematic device necessary for the establishment of the Northeast Asian Advisory Committee, the Development Committee, and the Tumen River Development Co. However, the UNDP was unable to push ahead with the regional development project, including the development of infrastructure—such as port, airport, and transportation—which is necessary for practical development, because it failed to raise the necessary funds for it.

Therefore, the government decided to assist with a government fund to push ahead with the UNDP project as a state project. This is aimed at reinforcing the basis for the local industrial circles to participate in the development project for the Tumen River area which offers an enormous development and growth potential.

An official of the Ministry of Science and Technology said: Through this project we will take the lead in pushing ahead with projects for the Tumen River area such as the study of the development method by projects, the method of raising funds, the general development plan, and the feasibility study by projects.



The aforementioned eight projects are as follows.

1. Feasibility survey for the construction of an international airport: Technological, economic, and social feasibility surveys will be made for the construction of an international airport in the Tumen River area to choose the most appropriate site for the international airport. The Yusin Designing Industrial Group, the International Civil Aviation Organization (ICAO), and a Chinese research organization will participate in the project.

2. Review of port and harbor system and the feasibility survey for the construction of main ports and harbors: The Maritime Industry Research Institute and the International Maritime Organization (IMO) will jointly study the port and harbor system, such as the sharing of functions among the ports in the Tumen River area, the basic plan and feasibility of the main ports.

3. Building transportation network: A feasibility survey will be made for the construction of a transportation network in the small delta of the Tumen River. The Transportation Development Institute and the Economic and Social Commission for Asia and the Pacific (ESCAP) will conduct the survey.

4. The small delta area general development project: This is the project to work out a general development plan for the small delta of the Tumen River. The Environmental Group Ltd. and China's Jilin College Research Center will participate in it.

5. The preliminary survey project to choose the site of power source and its optimum facilities: A study will be made for the technological and economic aspect in the selection of the optimum power source facilities prior to the construction of the power plant in the Tumen River area. The Korea Electric Power Corporation and China's Jilin Provincial power designing engineers will participate in this project.

6. The project to study ways to raise funds and to review the possibility of establishing a Northeast Asia Development Bank: This is a project to study how to raise funds for the Tumen River area development project. The Asia Economic Research Institute and the U.S. East-West Cultural Center in Hawaii will participate in the project.

7. Synthesizing and evaluating the information of mineral, energy, and water resources: This is a project to collect and evaluate the data on the deposit, production, and movement of the mineral, energy, and water resources necessary for the establishment of the economic development plan and industrial development of the Tumen River area. The Resources Research Institute, the ESCAP, and the Canadian Geological Research Institute will participate in the project.

8. The study for the industrial development and cooperation plan: This is a project to grasp the locations of natural resources and the present status of the labor force, population, and social overhead capital in the

Tumen River area and to evaluate the industrial situation and the growth potential so as to arrive at the prospective industry for development. The project will also study how to nurture and promote cooperation by region and state and between regions and states in order to nurture the prospective industries for development. The Industrial Research Institute, the Science-Technology Policy Management Institute, the United Nations Industrial Development Organization (UNIDO) will participate in the project.

#### **Pyongyang Liquor Held in Customs Warehouse**

*SK2412082594 Seoul CHUNGANG ILBO in Korean 23 Dec 94 p 31*

[Report by correspondent Mun Il-hyon from Beijing]

[FBIS Translated Text] Pyongyang Soju [distilled liquor] produced in North Korea was once highly popular with ROK citizens whose hometowns are located in North Korea. However, a total of 300,000 bottles of this soju has been confined in a warehouse by the Pusan Customs Office for more than half a year.

According to ROK and PRC authorities and businesses concerned, the Pyongyang Soju was produced by the Korea Foodstuffs Export-Import Corporation in North Korea; a PRC-affiliated trading company based in Dandong, whose company name begins with the letter "J," transported 17 containers of this product from Sinuiju to Pusan last June. However, North Korea only issued certificates of origin for the products after importing from the PRC almost all the raw and subsidiary materials, ranging from spirits to bottles and bottle stoppers, and after bottling the products. It was learned through the Pusan Customs Office's investigation that there are many inferior goods among the products. As a result, the bottles of soju have been confined to the customs warehouse, leaving those concerned in an awkward situation.

Since 1992, the PRC-based trading company has purchased Pyongyang Soju from North Korea. Since the soju has obtained much popularity in the ROK, the PRC-based company brought the products into the ROK without designating a local importer, hoping to fan a price increase. In this regard, payment for the products has been put off for several months; lately, North Korea has sent pertinent officials to Dandong to strongly demand that the PRC-based company pay for the products. Thus, the PRC-based company, which faces a predicament as a result, is reportedly appealing to ROK businessmen to dispose of the Pyongyang Soju.

#### **Customs Notes Rise in Purchases of DPRK Walnuts**

*SK2412054394 Seoul YONHAP in English 0518 GMT 24 Dec 94*

[FBIS Transcribed Text] Incheon, Dec. 24 (YONHAP)—South Korean purchases of North Korean walnuts have increased considerably of late, the Incheon Customs House said Saturday.



Five trading companies have purchased and brought in 900 tons of North Korean walnuts since Dec. 15.

Konex Trading Co. bought 600 tons of North Korean walnuts on Dec. 17 and Dec. 20 through Phoenix Maritime Co., Ltd. while Changsin Nongsan brought in 100 tons or 155,000 U.S. dollars worth of walnuts from the North aboard freighters of Samsun Shipping Corp. On Dec. 19.

Hwajung Trading Co. also purchased 130 tons or 175,000 dollars worth of North Korean walnuts, which were transported here by a Samsun vessel.

Samsun operates directly between the North Korean port of Nampo and Inchon.

KI Co., Ltd. purchased 72 tons of walnuts from North Korea and carried them here on Dec. 15.

An official at the customs house attributed the rise in walnut purchases from North Korea to a poor South Korean crop this year. The price of the tasty nuts is expected to soar around Lunar New Year's Day when the demand for walnuts customarily soars. The price of North Korean walnuts is 1 million to 1.2 million won per ton, compared to the 10 million won per ton that domestic walnuts fetch.

#### **Samsung To Increase Efforts on DPRK Projects**

*SK2412100594 Seoul MAEIL KYONGJE SINMUN in Korean 24 Dec 94 p 1*

[By Min Ho-ki]

[FBIS Translated Text] The Samsung Group (President Yi Kon-hui) has decided to gear up its efforts as regards projects with North Korea, which so far has been pushed by the Samsung Products Company.

Accordingly, Samsung has recently transferred a North Korea task force from the Samsung Products Company to the group's secretary office in charge of overseas business, and has relocated three members of the team—including Cho Kyong-han, an executive of the Samsung Products Company in charge of North Korean affairs—to the overseas business group.

In keeping with such a move, the Samsung Group intends to handle all pending issues regarding its projects in North Korea at the group level.

Samsung will dispatch to North Korea its 10-member business delegation, led by Chairman Kang Po-ku of Samsung Electronics Company, at the earliest possible date. For this, Samsung is reportedly holding working-level consultations with the Northern partners through its branch office in Beijing.

It was also learned that the Samsung business delegation to North Korea will visit Pyongyang and the Najin-Sonbong area, and will mainly discuss the establishment

of liaison offices as well as the construction of electronics, food, and textile joint venture plants and social overhead capital.

#### **Firm To Rent Office in DPRK's Yukyong Hotel**

*SK2812080294 Seoul YONHAP in English 0136 GMT 28 Dec 94*

[FBIS Transcribed Text] Seoul, Dec. 28 (YONHAP)—A South Korean real estate firm has won the right to rent out office space at the Yukyong Hotel, the largest hotel in Asia currently under construction in Pyongyang, and will start the rental process early next year, it was learned Wednesday [28 December].

"Korea Land" disclosed it was named agent to rent as offices some guest rooms in the 105-story Yukyong Hotel at a recent meeting in Dandong, China, with Koryo People's Industrial Development Council Chairman Yi Song-Nok.

Given the fact that an increasing number of Western firms want to open offices in Pyongyang following the U.S.-North Korea nuclear agreement reached in Geneva last October, North Korean authorities have decided to rent out some guest rooms at the Yukyong as offices, Korea Land President Kang Yong-su said.

Setting aside over 1,000 of the hotel's 3,000 guest rooms for office space, Pyongyang envisages fixing a minimum contract period of one year and a minimum rental space of five guest rooms per firm. It hopes to sign rental contracts covering 10 guest rooms for three years on average, according to Kang.

Rent would be about 150 U.S. dollars a day per room, the going rate at first-class hotels in major cities around the world. In the event a company rents five guest rooms as office space, annual rent would amount to 273,750 dollars.

Korea Land plans to meet with Chairman Yi again in Dandong in mid-January to finalize a contract and start renting out rooms at the end of February to South Korean and Western companies, Kang said.

North Korea began construction of the mammoth Yukyong Hotel in preparation for the World Youth and Students' Festival held in the North Korean capital in 1989. Work has been suspended for the past several years due to a lack of funds with the interior and finishing work remaining undone.

#### **Poll: 70.5% Favor N-S Economic Cooperation**

*SK2712031294 Seoul CHUNGANG ILBO in Korean 26 Dec 94 p 2*

[Report by correspondent Kim Chin-kuk on the results of a Korea Gallup survey]

[FBIS Translated Text] It has been learned that seven out of ten ROK citizens think: "Even though we might suffer losses, South-North economic cooperation should be pushed."



At the request of the Ministry of Information, on 12 December Korea Gallup conducted a telephone survey of 1,000 male and female adults throughout the country. Its results show 70.5 percent of those questioned are of the opinion that even though we might suffer an economic loss, South-North economic cooperation should be pushed ahead; only 29.5 percent say "priority should be given to the question of making economic gain."

As for the pace of on-going South-North economic cooperation, 27.5 percent feel "economic cooperation should proceed at a more rapid pace," 25.0 percent feel "the current pace is reasonable," and 47.5 percent feel "it should proceed at a slower pace."

As to whether North Korea will accept South Korea's proposal for economic cooperation, a total of 53.7 percent of those questioned predict North Korea will accept such a proposal: 8.2 percent say "North Korea will be active in accepting such a proposal" and 45.5 percent say "North Korea will accept it in a limited manner." In the meantime, 36.9 percent of the respondents think North Korea will not accept such a proposal.

A sweeping 72.2 percent of the respondents are of the view that "both South and North Korea should change their attitudes," while 18.4 percent say "North Korea should change its attitude" and 9.4 percent say "South Korea should change its attitude."

With regard to the question of our businessmen's adaptation to North Korean society and their association with North Korean residents in case South Korean businessmen should work there, a total of 89.3 percent of respondents say businessmen will face problems: 36.6 percent predict "the businessmen will face many problems" and 52.7 percent predict "they will face some problems."

Of those polled, 62.0 percent of the respondents predict the settlement of the North Korea-U.S. talks and the establishment of liaison offices will contribute to South-North economic cooperation: 9.3 percent say such matters will contribute to a large extent to economic cooperation, and 52.7 percent say they will contribute to economic cooperation to some extent. In the meantime, 37.9 percent of the respondents predict such matters will not contribute to economic cooperation.

#### **DPRK in Investment Contracts With Foreign Firms**

*SK2712062194 Seoul SEOUL SINMUN in Korean 27 Dec 94 p 2*

[By NAEWOE]

[FBIS Translated Text] The latest edition of CHOSON SINBO, a bulletin from Chongnyon [General Association of Korean residents in Japan], reports that North Korea has concluded dozens of investment contracts with foreign businesses since Najin and Sonbong in

North Hamgyong Province was proclaimed a free trade zone on 28 December 1991.

The paper states that after establishing the free economic trade zone in Najin and Sonbong, as well as a free trade port in Chongjin: "Delegations and businessmen from various countries have visited North Korea to conduct on-the-spot inspections and negotiations regarding investments in North Korea."

The paper added: "Currently, the construction of an infrastructure is being fully accelerated in the free trade zone."

#### **NUB on 'Dissolving' Socialist Norms in North**

*SK2612060994 Seoul YONHAP in English 0518 GMT 26 Dec 94*

[FBIS Transcribed Text] Seoul, Dec. 26 (YONHAP)—Signs in North Korea indicate that socialist norms are dissolving as citizens reluctantly follow the dictates of their leaders and take more interest in improving their lives than in the *chuche* (self-reliance) ideology. Instead of resorting to organized resistance against the state and its supreme power, North Koreans are displaying their dissatisfaction by complaining about their livelihoods, a potential source of unrest.

These points are highlighted in "Consciousness changes among North Korean residents and social control" by the National Unification Board (NUB), based on testimony given by 40 North Koreans who defected to the South in 1993 and 1994 and issued Monday.

North Koreans hold their children dear and attach importance to monetary background in choosing their children's spouses, reflecting the hardship they face in everyday life.

A considerable number of people are accumulating wealth through means running counter to the principles of socialist production and distribution such as gambling, lending money for interest and renting houses for profit.

North Korean authorities, however, tacitly permit such anti-socialist acts and irregularities stemming from economic poverty and capitalistic mammonism, according to the NUB publication.

Accordingly, North Koreans' values represented by community consciousness, simplicity, helpful salesmanship and thrift are being gradually replaced by a tendency to recognize and prefer the value of money.

Youths in major cities are fond of listening to disco music and wearing jeans, bell-bottomed trousers and one-piece outfits, reflecting Western fashions.

A change is also being seen in the kinds of jobs preferred by women. Whereas they used to aspire to become traffic control officers, nurses and teachers, North Korean women lately prefer working as salespersons of consumer



products, department store salesgirls, hotel workers and restaurant cooks, enabling them to purchase goods with greater ease.

Their notions of the ideal spouse are also undergoing change. Party members used to be most popular in the sense of the union of revolutionary comrades. Popular prospective husbands for young North Korean women these days are those who command social respect and can make extra income.

Socialism in the North is degenerating due to the contradiction of upholding socialism ideologically, but of being controlled by individuals' interests, the National Unification Board concluded.

#### **MTIE To Lift Import, Export Restrictions**

*SK2712001194 Seoul THE KOREA TIMES in English  
27 Dec 94 p 8*

[FBIS Transcribed Text] Restrictions on imports of 29 items and exports of 43 goods will be lifted next year, the Ministry of Trade, Industry and Energy (MTIE) announced yesterday.

Of the 49 products subject to import liberalization, five are fishery goods and 44 agricultural and dairy goods. They have been subject to government approval for their import.

The removal of restrictions on their import is in accordance with Korea's import liberalization schedule submitted to the Balance of Payments Committee of the General Agreement on Tariffs and Trade (GATT), the ministry said.

Among the 49 products are cheese, onions, garlic, chestnuts, apples, dates, shrimps, Alaskan pollacks, red peppers, roe, green tea, sesame, grape juice, ginger, milk and milk powder.

Of the 43 items which will be freely shippable overseas, seven have been restricted due to the government's agreement with GATT and exports of the remaining 36 goods have been constrained in order to prevent excessive competition, protect designs or get rid of overseas sales of bogus products.

They include bags, ropes, stainless steel plates and wires, nails, video tape recorders, semiconductor raw material, photo frames and safety shoes.

With the removal of restrictions on imports of the 49 products, Korea's import liberalization ratio will increase from the present 98.6 percent to 99 percent.

Of the total 10,502 products which are imported, only 101 items will stay on the restriction list. They are 53 agricultural and dairy products, 40 fishery goods and eight industrial products.

Meanwhile, the number of products whose exports will be still restricted will drop from the current 881 to 838.

Of the 838 products subject to restrictions, exports of 777 items will be constrained because of the government agreement with GATT.

#### **Brazil, Argentina Rule on Anti-Dumping Charges**

*SK2812091894 Seoul YONHAP in English 0607 GMT  
28 Dec 94*

[FBIS Transcribed Text] Seoul, Dec. 28 (YONHAP)—Brazil has ruled that South Korea is not guilty of dumping fabric after a year-long investigation, the Foreign Ministry said Wednesday [28 December]. Brazil imposed preliminary anti-dumping charges of 34 percent between January and May this year after investigating 12 synthetic fiber exports from over 30 South Korean companies.

The Seoul government had directly appealed the case with Brazil, objecting to investigation procedures and urging conformity with General Agreement on Tariffs and Trade (GATT) rules.

Most fabric exports to Brazil consist of polyester, which amounted to 45 million U.S. dollars' worth in 1993.

Meanwhile, the government is working to settle color television anti-dumping charges filed in Argentina last month, ministry officials said.

Argentine authorities levied 29.93-percent anti-dumping charges on South Korean TV sets as of Nov. 18 this year.

Seoul will present a commentary rebutting the ruling and demand negotiations to settle the matter in accordance with World Trade Organization (WTO) regulations, the officials said.

#### **Products To Face Anti-Dumping Duties in EU**

*SK2512010794 Seoul THE KOREA TIMES in English  
25 Dec 94 p 8*

[FBIS Transcribed Text] Six Korean products will face anti-dumping duties or investigations in the European Union (EU) early next year, the Korea Foreign Trade Association (KFTA) reported yesterday.

The products are color TV sets with 17 inch or larger screens, microwave ovens, video cassette tapes, monosodium glutamate, video cassette recorders (VCRs) and excavators.

In a dispatch from its branch office in Brussels, KFTA said that the European Commission is seeking to impose final anti-dumping duties on medium or larger-sized color TVs sold by Korean manufacturers around the end of March next year.

The EC has been imposing preliminary anti-dumping duties on TVs for five Asian countries since Sept. 30 last year. Daewoo Electronics has been paying 18.8 percent, Samsung 18 percent and Goldstar 16.8 percent.



The commission is also likely to levy preliminary anti-dumping duties on microwave ovens in March or later. The EC has nearly completed investigation into the alleged sales at below market prices by Korean manufacturers, the KFTA said.

The EC is likely to conduct on-the-spot inspections into the alleged dumping margin sales of video cassette tapes early in February next year.

The EU plans to submit the results of its reinvestigation of alleged dumping margin sales of Korean monosodium glutamate to member governments early next year, the KFTA said.

The EC is also reported to launch an investigation into alleged sales by Korean manufacturers of VCRs and their parts at below market prices in January or February next year. Daewoo Electronics, Samsung Electronics and Goldstar Co. are involved in the case.

Korean excavator manufacturers are likely to face an investigation of dumping margin sales in the EU as European makers are consulting with the European Commission about the feasibility of anti-dumping investigations, the KFTA said.

#### **Portion of UN Budget Expected To Increase**

*SK2412031794 Seoul YONHAP in English 0140 GMT 24 Dec 94*

[FBIS Transcribed Text] Seoul, Dec. 24 (YONHAP)—South Korea's share of the United Nations' regular budgetary expenses is set to inch up from the present 0.69 percent to 0.82 percent in 1997.

The increase is envisioned in a resolution adopted by the UN General Assembly Friday, which fixes the next three years' individual country shares of the world body's regular budget.

Under the resolution worked out by the General Assembly's Fifth (Administration, Budget) Committee, South Korea's share will be raised from 0.69 percent this year to 0.80 next year and 0.8175 percent in 1996.

The 0.11-percentage point increase next year means South Korea will have to contribute roughly 8 million dollars to the United Nations, about 1 million dollars more than this year's 7 million dollars.

South Korea's share of PKO (United Nations Peacekeeping Operations) expenses too will be raised proportional to its increased share of the regular budget.

UN member countries' PKO expense burdens normally account for 20 percent of their regular budget shares.

The increase in South Korea's share is due to steady growth in its gross national product. It will rank 17th next year in terms of the amount of country share. This year it stands at 21st.

To reflect the deteriorating economy of North Korea, Pyongyang's share of the UN regular budget has been readjusted downward from 0.05 percent this year to 0.04 percent next year.

The United States shoulders the largest burden, 25 percent, followed by Japan whose share is set to rise from 12.4 percent this year to 13.95 percent next year, 15.43 percent in 1996 and 15.65 percent in 1997.

The United Nations' regular budget amounts to about 1 billion dollars and PKO expenses about 3.5 billion dollars a year.

#### **Joint Immigration Policy With Japan Discussed**

*SK2612235294 Seoul THE KOREA HERALD in English 27 Dec 94 p 3*

[By staff reporter Chong Chong-sok]

[FBIS Transcribed Text] As the government has decided to continue to apply its visa waiver policy next year to Japanese visitors, controversy has erupted over the reciprocal principle in the immigration policy between South Korea and Japan.

At present, South Korea and Japan have yet to sign the visa-exemption agreement. Therefore, the two countries' no-visa policies for tourists depends only on reciprocity.

While South Korea allows Japanese tourists to enter the country without a visa for a stay of less than 15 days, Japan permits South Koreans who carry round-trip tickets to stay there for just three days without visa.

"It is a matter of the state's honor that the government takes a looser immigration policy for tourism profits than that of Japan," said an official at the immigration office at Kimpo International Airport who wished to remain anonymous.

In addition, he pointed out the ever-present long queue of South Koreans waiting for visas from the Japanese Embassy in Seoul.

Some other immigration officials pointed out the possibility that the visa-exemption policy may give members of Japanese organized criminal rings, including "yakuza," more chance of advancing into the country.

The visa waiver policy of South Korea, which started from Aug. 1 last year ahead of the opening of the Taejon Expo, was originally scheduled to expire at the end of last year but was extended for 1994 Visit Korea Year.

Bowing to the increasing demands from tourism sectors, the Ministry of Justice decided to prolong the policy a year longer in order to attract more Japanese tourists, Kim Nam-il, chief of the ministry's Immigration Department, said.

In terms of the tourism promotion, the visa-waiver policy has greatly contributed to attracting Japanese tourists here.



Statistics available at the Tourism Bureau of the Ministry of Culture and Sports show that the number of Japanese visitors surged by 33 percent from 586,000 in the first half of 1993 to 780,000 in the second half, during which the visa-waiver policy took effect.

The government hopes to attract 1.9 million tourists from Japan next year, nearly half its 1995 target of 3.9 million foreign visitors, said No In-sik who is in charge of tourism at the Ministry of Culture and Sports.

"The government should be more flexible in its immigration policy to promote tourism, whose income accounts for about 17 percent of the gross national product," No said.

### **Seoul, Tokyo To Retain Fishery Control System**

*SK2712114194 Seoul YONHAP in English 1117 GMT  
27 Dec 94*

[FBIS Transcribed Text] Seoul, Dec. 27 (YONHAP)—South Korea and Japan on Tuesday afternoon decided to retain the existing fishery self-control in their peripheral sea zones.

The two countries established the peripheral sea zones in 1980, in which they regulate their respective fish quota on a voluntary basis.

The decision was made at the seventh Korea-Japan fishery working-level meeting held in Seoul after South Korea promised to strive harder to control unlawful fishing by Korean boats in Japan-designated areas.

Faced with swelling fishing violations by South Korean boats in such Japan-designated self-control areas as those near Hokkaido and Kyushu, Japan earlier threatened to turn the self-control areas into forcible control areas.

Korea was represented at Tuesday's meeting by Mun Pong-chu, Foreign Ministry's deputy director-general. His Japanese counterpart was Yukio Takeuchi.

### **Russia Agrees To Reduce Fishing Fees by 20%**

*SK2412094894 Seoul YONHAP in English 0859 GMT  
24 Dec 94*

[FBIS Transcribed Text] Seoul, Dec. 24 (YONHAP)—Russia agreed to lower the charges to South Korean fishermen for fishing in its fishing grounds in the North Pacific by 20 percent from this year's levels for next year in a private-level meeting with South Korea here in Seoul over the weekend.

Accordingly, the per ton fees will go down from 420 U.S. dollars to 336 dollars for Alaskan pollacks with eggs and from 257 dollars to 205.6 dollars for the fish without eggs.

The catch from Feb. 15 to Mar. 31 next year will be taken as fish with eggs and those from Feb. 1-14 and from Apr.

1-10 will be regarded as fish with eggs in case the eggs account for more than 3 percent of the catch.

South Korea will pay 250 dollars to every Russian observer who will go on board South Korean fishing boats to watch them fishing in the Russian piscary.

The meeting was a follow-up to the Korea-Russia fisheries talks held in Moscow in October, where the two countries agreed on a 77,000-ton quota of Alaskan pollacks in the Russian piscary of the North Pacific for South Korea next year.

South Korea agreed to pay the fishing fees totaling 12,612,000 dollars for 55,000 tons of the quota before Jan. 17.

The remaining quota of 22,000 tons is for fish exchange, either bartering Korean fish, such as sardines, for Alaskan pollacks or buying them with cash.

### **Two Fishing Boats Seized by PRC; One Released**

*SK2812104594 Seoul YONHAP in English 1018 GMT  
28 Dec 94*

[FBIS Transcribed Text] Inchon, Dec. 28 (YONHAP)—Two South Korean fishing boats were seized by China early last week while catching fish in the Chinese territorial waters and one of them is still being held, it was belatedly learned here Wednesday [28 December].

A source at the Inchon Maritime Police said 100-ton-class trawlers, Hyosong-ho Nos. 7 and 8, were caught by a Chinese Fishery Guidance Ship around 9 PM Dec. 18 about 50 kilometers northeast of the Shandong Peninsula, China.

Hyosong-ho. No. 7, along with its crewmen and those of Hyosong-ho No. 8, was set free nine days later on last Monday. But, the Chinese were holding Hyosong-ho No. 8 demanding that a fine of 50,000 dollars be paid by Jan. 23.

The Maritime Police were questioning the released skippers to look into the background leading to the seizure, the source said.

### **President Meets Press Corps for Year-End Lunch**

*SK2812091094 Seoul YONHAP in English 0604 GMT  
28 Dec 94*

[FBIS Transcribed Text] Seoul, Dec. 28 (YONHAP)—President Kim Yong-sam declared Wednesday [28 December] that all South Koreans must change their consciousness and way of thinking to adapt to the national goal of globalization.

Meeting the Chongwadae [presidential offices] press corps at a year-end lunch, Kim urged all citizens, business people and laborers to modify their behavior "as the government has made drastic reforms first through the revamp of its organization."



Stating that globalization comprises all sectors—politics, the economy, society, culture, arts and sports—he asserted that this vision, if carried forward as scheduled, will vault the country into the ranks of the world's top 10 trading nations from the present 12th.

He forecast that South Korea will attain 105 billion U.S. dollars in exports next year with 7.1-percent economic growth and a 5-percent price increase.

Due to the administrative reorganization, he continued, the government is feeling great pain and more than 1,000 public officials must move to other posts. "But the government will not neglect in helping them," he said.

He said globalization, which cannot be achieved through imitation only, is designed to help future generations in the 21st century make the country world-class in all fields.

#### **President's 26 Dec Speech to DLP Examined**

*SK2712021294 Seoul YONHAP in English 0150 GMT 27 Dec 94*

[FBIS Transcribed Text] Seoul, Dec. 27 (YONHAP)—President Kim Yong-sam's emphasis on the country's globalization, put to his own ruling Democratic Liberal Party (DLP) Monday [26 December] night, appears somewhat different from his earlier assertions on the idea.

Strongly urging the DLP to globalize, Kim also accented party structural change during a dinner party he hosted for all DLP lawmakers and local chapter chairmen at Chongwadae [presidential offices].

He stressed that the forthcoming party national convention slated for next February should be an inspirational occasion for the people, with the DLP taking the lead in pushing for internationalization.

Such emphasis is quite natural and takes on added significance as his statement was the first to address the party's official gathering just two months before the big event.

In particular, he declared the country cannot realize globalization by relying on an "old structure" dating back over 40 years, calling for the creation of a fresh history. "History will desert us unless we change. We must create a new history."

Observers believe that Kim's remarks point to a change in the DLP leadership system headed by Chairman Kim Chong-pil, since dismantling the old structure is only possible by changing personnel. This seems to imply that such personnel change would be accompanied by a leadership change.

Another portion of Kim's statement bears note—no mention was made of DLP Chairman Kim.

Previously, President Kim had backed the chairman whenever there were signs of intra-party factional

feuding over leadership, saying the DLP must be operated by Kim Chong-pil in a central role.

Consequently, close aides to Chairman Kim were undoubtedly expecting President Kim to support their "boss" in his comments.

Moreover, President Kim stressed that "all of us should become an ocean for globalization as all rivers—Han-, Kum-, Imjin- and Nakdong-gang—flow to the sea to become an ocean."

He added, "We have to choose with courage and confidence which river flows for the realization of the globalization goal."

DLP observers say that Kim's metaphor about the rivers was designed to accent the party's unified efforts to attain national objectives by neutralizing regional and factional discord and bipartisan confrontation.

At any rate, President Kim's speech foretokens a change in the ruling party—a big change going beyond most people's expectations.

#### **Official on Foreign, National Security Policy**

*SK2612080894 Seoul YONHAP in English 0748 GMT 26 Dec 94*

[FBIS Transcribed Text] Seoul, Dec. 26 (YONHAP)—Senior Presidential Secretary for Foreign and National Security Affairs Yu Chong-ha said Monday that since officials involved in formulating and implementing foreign and security policy share the same basic beliefs, there will be no future confusion in this area.

Meeting members of the Chongwadae [presidential offices] press corps during his first day on the job, Yu remarked, "The president decides upon policies on the level of sovereign power, while the foreign minister recommends and implements policies. Learning lessons from the past, I'll take care not to cause confusion in foreign and national security policy through a full expression and exchange of opinions and mutual cooperation."

Reasoning that bickering among foreign and national security policy-makers "would make citizens uneasy," he pledged to strive to prevent discord from arising among Chongwadae, the National Unification Board and the Ministries of Foreign Affairs and National Defense.

Among the 185 members of the United Nations, South Korea ranks among the top 15 while North Korea lags far behind, somewhere between 70th and 80th, Yu noted. "I'll exert myself so that our rank in the United Nations may be enhanced to the level of the top 10."

#### **New JCS Chairman Delivers Inaugural Address**

*SK2812024594 Seoul YONHAP in English 0204 GMT 28 Dec 94*

[FBIS Transcribed Text] Seoul, Dec. 28 (YONHAP)—Gen. Kim Tong-chin, newly appointed chairman of the



Joint Chiefs of Staff (JCS), said Wednesday that tension on the Korean peninsula is mounting due to instability in the North Korean system.

Kim, the 26th JCS chairman, said in his inaugural address, "tension on the Korean peninsula is heightening because North Korea is not giving up its strategy to communize the entire Korean peninsula and its system is still unstable."

Defense Minister Yi Yang-ho, Hwang Myong-su, chairman of the National Assembly National Defense Committee, and senior military officials attended Kim's inaugural ceremony in the morning.

Uncertainty about security is deepening all over the world, Kim said, as the ability of the international community to settle regional disputes is limited.

"Therefore, the military should always maintain the best preparatory posture to immediately frustrate any threat to security," Kim said.

He stressed that the military must be made stronger and more self-reliant by pushing for steady change and reform next year.

Meanwhile, Defense Minister Yi also emphasized reform, saying the military should boldly reform by changing its ideas about all fields including consciousness, system, organization and operation.

#### **Daily Reviews Appointment of Defense Minister**

*SK2812121194 Seoul HANGUK ILBO in Korean 28 Dec 94 p 2*

[By reporter Song Tae-kyu, from the "Reporter's Eye" column: "ROK Air Force-Turned National Defense Minister"]

[FBIS Translated Text] ROK Air Force General Yi Yang-ho's inauguration as national defense minister contains two meanings: that is, "civilian characteristics" and "balanced development of the three services." This is precisely the symbolic meaning the appointment of General Yi Yang-ho has. It is also a duty he should perform.

Almost all successive secretaries of the U.S. Department of Defense were civilian experts on military affairs because the post of secretary of defense does not need the exercise of leadership to deal with power games, but needs the function of implementing military policies. In the United States, the military is not a political collective.

In modern ROK history, however, the military has been a key factor in political change. The military once became the main force in ruling the country by means of military coups. It also became a powerful political collective with powerful political influence. Such a phenomenon was caused by soldiers with political ambition rather than by the military system itself.

With the recent elimination of members of Hanahoe from the military, the image of the military as a political force has diminished to a great extent. In this sense, we can say the advent of a civilian national defense minister is an important process to finalize our democratization by restoring the inherent function of the military. Of course, Minister Yi Yang-ho is not a civilian turned minister. Nevertheless, we find civilian characteristics in him because he is from the Air Force and not from the Army, which has been branded as a political collective. In light of his career, we can say Minister Yi has been appointed as a military expert rather than to manage and control a military structure.

During the Third Republic, Kim Song-un, commandant of the ROK Marine Corps, was appointed national defense minister. During the early Fifth Republic, Chu Yong-pok, who was then chief of the General Staff of the ROK Air Force, was appointed national defense minister. However, their situation was completely different from that of incumbent National Defense Minister Yi because political power, including the post of president, was at that time monopolized by the Army.

The situation has completely changed today. In other words, even though an Air Force general has been appointed as national defense minister, we do not worry about a commanding relationship in the military. The inauguration of Minister Yi in the post of national defense minister symbolically shows it is difficult for the ROK military to exercise a strong influence in the ROK political arena.

Accordingly, Minister Yi is faced during his term of office with the major task of building a firm foundation on which a civilian national defense minister can carry out his duties without creating concern and without raising the military's rejection. Minister Yi should lead the military in becoming a professional and functional collective, completely doing away with its politics-oriented phenomenon.

Minister Yi should work toward achieving a balanced development of the three services by improving and rectifying the present military organization in which the Army is excessively larger in scale than the other two services. This is Minister Yi's duty.

Such an unbalanced organizational structure in our military is a product of the past involvement of our military in politics.

Our Navy and Air Force seriously feel the unbalanced status of the three services. Our expectation toward Minister Yi in resolving this situation is very great because he is an ROK Air Force general turned minister who is well aware of this situation.

#### **YONHAP Reviews Challenges Facing Economy**

*SK2612010094 Seoul YONHAP in English 0047 GMT 26 Dec 94*

[Report by Hwang Sok-cho]



[FBIS Transcribed Text] Seoul, Dec. 26 (YONHAP)—South Korea's economy in 1995 could experience some labor pains impeding stable growth from both within and without, despite expectations of robust growth carrying over from this year.

It is generally believed that the country's economy will continue expanding next year, although the growth rate will be somewhat lower than this year, with domestic demand and construction playing key roles while facility investment remains lively.

Moreover, the economy will be invigorated by an active world economy, local self-government elections and high hopes for epochal development of inter-Korean relations. With the birth of the World Trade Organization (WTO) heralding an expansion of openness and self-regulation, every sector of the domestic economy will see more changes and reforms than at any time in the past. Regulations which have fettered companies' ankles are to be eased greatly.

On the other hand, of primary concern will be how to manage efficiently the possible side-effects stemming from the latter half of the current economic expansion phase.

One danger is posed by currency inflation due to the expansion of foreign currency inflows and excessive consumption. The chances are high that real estate prices will rise again if investment centers on infrastructure, an area emphasized by the civilian government, and various public promises of development made during every election recur. People are worried that such factors will result in price hikes and, if the situation is not controlled properly, that South Korea will be trapped again in a bubble economy.

Government and private institutes forecast economic growth in the new year to register about 7 to 7.4 percent. The Bank of Korea (BOK) and the Korea Institute of Finance (KIF) envisage 7.3 percent, and the Korea Development Institute (KDI) and the Korea Institute for Industrial Economics and Trade (KIET) 7.1 percent and 7.2 percent, respectively. The private institutes of Samsung and Daewoo see a growth rate of 7 percent and 7.4 percent, respectively.

These organizations agree that the widening of the trade deficit, in which import growth surpasses export expansion, will continue into the new year.

As for prices, all agencies except the KDI forecast that the increase rate for consumer prices will top 6 percent, with the KDI expecting around 5.9 percent. The BOK, KIET and KIF predict 6 percent, with the private institutes opting for a minimum 6.1 percent to a maximum 6.9 percent.

In particular, the increase rate for private consumption will outstrip the economic growth rate, the organs foresee. The BOK, KDI and Samsung are predicting 7.4 percent and the rest 7.3 percent to 8.3 percent. This is

not considered a desirable phenomenon given that consumption would be driving economic development.

In the meantime, the outlook for the world economy is rosy. Solid growth in both advanced and developing nations will continue while the economies of the politically transformed countries in Eastern Europe will take root.

Despite the prospects for brisk world and domestic growth, the South Korean economy in 1995 is expected to feel some pain adjusting to the whirlwind of full-dress globalization and self-regulation.

With the reform of the foreign currency system, the capital balance is set to produce a surplus of 18 billion U.S. dollars, bringing money from overseas and pressure for the Korean won's appreciation. Such appreciation is feared to have a negative influence on export profitability. Above all, a price-boosting factor is hibernating because of a possible shortage of manufacturing manpower.

Such public service charges as tuition and electricity are also ready to increase and a rise in the import unit price appearing in the latter part of this year is likely to ratchet up consumer prices next year. Apart from the local autonomy "election economy" and expansion of investment in infrastructure, inflationary sentiment will raise its head since factors such as the already-executed easing of restrictions on the use of quasi-farm-forestry land and deregulation of big conglomerates' real estate acquisition will boost property prices.

Accordingly, the government is putting the strongest emphasis on stabilizing prices in its economy management plans for the new year. In particular, it intends to adopt advanced nations-style price stabilization by lowering the increase rate of consumer prices by 3 to 4 percent.

This shows the government and citizens alike are keenly aware that maintaining stable prices is the top economic issue heading into the latter part of the 1990s. Eventually, South Korea's efforts to stabilize prices will hold the key to its entry into the group of advanced nations.

#### **Economic Policy To Focus on Stability in 1995**

*SK2412023994 Seoul YONHAP in English 0135 GMT  
24 Dec 94*

[FBIS Transcribed Text] Seoul, Dec. 24 (YONHAP)—The government's economic policy will focus on stability rather than expansion next year as runaway growth is feared to cause overheating and then stagnation in 1996, the Board of Finance and Economy (BFE) said Saturday.

The BFE has thus decided to lower the economic growth target to about 7 percent, hold the money supply increase rate at between 12 and 15 percent, and maintain a consumer price increase rate of less than 5 percent next year in an effort to head off overheating and fuel a prolonged economic boom, BFE officials said.



The board predicted that foreign capital inflows will rise from this year's 9 billion dollars to between 14 billion and 18 billion dollars in 1995 when the country's capital market is further opened to foreign countries.

Such a drastic increase in foreign capital inflows would surely affect consumer prices as well as the country's money supply policy and currency exchange rate, despite the government's expected efforts to divert foreign capital abroad and delay its influx at home, according to the board.

The BFE also was concerned that the upward-bound economy would fall into stagnation should the current expansion, expected to reach up to 8 percent this year, continue into 1995 to fuel spending and importation of goods with prices of raw materials rising in the world market.

The board's top priority for economic policy will, as a result, be placed on maintaining stability, the officials said.

To that end, the board will try to reduce next year's economic growth rate to about 7 percent from 7.5 percent, a figure forecast by both government and private economic institutes, while taking steps to hold the total money supply rate at between 12 and 15 percent next year, about 2 percentage points lower from this year's 14 to 17 percent, they said.

The board will also work to bring the consumer price increase rate down to 5.5 percent from this year's 5.7 percent and last year's 5.8 percent.

By 1997, the board plans to bring the consumer price increase rate down further to 3 or 4 percent, the level of advanced economies, in a bid to strengthen the structural stability of the South Korean economy, the officials added.

#### **Annual Imports Exceed \$100 Billion in 1994**

*SK2712065594 Seoul YONHAP in English 0531 GMT 27 Dec 94*

[FBIS Transcribed Text] Seoul, Dec. 27 (YONHAP)—South Korea's annual imports have exceeded 100 billion U.S. dollars for the first time this year, the International Trade and Industry Ministry said Tuesday [27 December].

Imports stood at 100.2 billion dollars on a customs clearance basis as of Monday and are expected to hit 101.8 billion dollars by year's end, according to a tentative ministry tally.

Monthly imports are also on track to reach 10 billion dollars for the first time in December.

At the beginning of this year, the government predicted that imports would come to 95 billion dollars and exports to 91.5 billion dollars. But given the current

trend, imports may end up more than 6 billion dollars higher than originally expected.

The ministry attributed the steep increase in imports to purchases of big items, including a liquefied natural gas (LNG) carrier worth 150 million dollars, as well as to imports of raw materials such as crude oil which soar in wintertime.

A ministry official said, "It is true that we are having difficulty controlling the trade balance due to a rapid increase in imports this month, but it's not too bad. Most of the imports are raw materials and facilities, which will be used for production here and for exports."

The ministry expected that the growth in imports will continue into the first half of next year, pointing out that the prices of various raw materials including crude oil are on the rise.

Meanwhile, total exports amounted to 92,670 million dollars as of Dec. 24, the ministry said.

#### **Companies To Establish Financial Firms Abroad**

*SK2412031294 Seoul THE KOREA HERALD in English 24 Dec 94 p 8*

[FBIS Transcribed Text] Domestic manufacturers and general trading companies will be allowed to establish finance, leasing and financial futures companies abroad as their subsidiaries beginning in January next year.

The Ministry of Finance said yesterday that such domestic corporations will be permitted to establish financial subsidiaries that would directly support their overseas operations.

To be qualified to advance into financial business abroad, manufacturing and trading companies must have earned a minimum of \$1 million or more from abroad in the previous year, have 20 billion won or more in paid-in capital and have had an accumulative net profit during the previous three years.

Qualified corporations will be permitted to invest up to 30 percent of their net assets to establish financial subsidiaries abroad.

Those subsidiaries would lend money to people buying products or purchase capital goods from their parent companies to lease them to foreign customers.

Or they would deal with financial derivatives to protect their companies from risks resulting from fluctuations in exchange and interest rates and manage the companies' earnings from overseas operations or help finance their overseas projects.

The government has in the past banned the creation of such financial subsidiaries for fear of fanning excess competition among domestic companies with little experience in finance and providing for channels of capital flight from the nation.



In addition, such subsidiaries would have been able to advance into the nation by establishing their branches and creating private coffers for their parent companies.

Though such risks still exist, the government will permit domestic manufacturers and general trading companies to enhance their competitiveness in overseas markets, the ministry said.

Riding on the global trend of liberalizing foreign-exchange and capital-account transactions, the ministry said, the government will permit domestic corporations to establish overseas financial subsidiaries, beginning in 1996, even if their businesses are not linked directly to those of their subsidiaries.

Domestic businesses will now be able to reduce their financial costs by linking their real and financial business activities abroad, said an official from the ministry.

Permission to create overseas financial subsidiaries will also help increase Korean exports and train Koreans in financial skills, the official said.

#### **Productivity Gap With Advanced Nations Noted**

*SK2612052094 Seoul YONHAP in English 0511 GMT 26 Dec 94*

[FBIS Transcribed Text] Seoul, Dec. 26 (YONHAP)—South Korea still lags far behind advanced countries in industrial productivity but the gap is narrowing every year.

In a gross domestic productivity (GDP) comparison between the country and 12 members of the Organization for Economic Cooperation and Development (OECD) conducted by the Korea Productivity Center (KPC) Monday, the 1992 GDP per employee in South Korea based on 1985 foreign exchange rates stood at 9,079 U.S. dollars or 22.3 percent of the 40,603 dollars for the United States, which was rated no. 1 in GDP.

By industry, South Korea's productivity in manufacturing sector registered 12,166 dollars or 25.7 percent of America's 47,398 dollars and in mining field, each South Korean productivity was merely 9,079 dollars or over 100-fold below the 910,328 dollars of Denmark, according to the KPC.

South Korean productivity in agriculture, forestry and fisheries stood at 4,057 dollars or 12.6 percent of the 32,240 dollars for the United States, and in social and personal services registered 2,492 dollars or 5.3 percent of the latter's 46,676 dollars.

Compared with the top nations in other sectors, South Korea's productivity was computed at 20.3 percent of that of Germany in finance, insurance and real estate, 24.4 percent and 16.2 percent of those for the United States in transport, storage and communications, and wholesale and retail and lodging, respectively, 28 percent

that of Canada in construction and 54.7 percent that of the United States in electricity, city gas and water supply service.

But the country's productivity growth rate for 1980-92 topped the list among the cited nations and the gap is narrowing.

#### **Number of Manufacturing Firms in Country Noted**

*SK2612113794 Seoul YONHAP in English 1116 GMT 26 Dec 94*

[FBIS Transcribed Text] Seoul, Dec. 26 (YONHAP)—The number of manufacturing firms in South Korea stood at 259,116 as of the end of last year and the value added they generated totaled 113,815 billion won last year, the Statistics Administration reported Monday.

Making public the outcome of an industrial survey it took, the administration said the goods these manufacturing firms turned out last year amounted to 263,008 billion won and their tangible fixed assets like buildings, machines and structures were worth 133,216 billion won.

It said that people engaged in manufacturing industries totaled 3,266,765 at the end last year while the annual value added they created was 34,840,000 won and their wages were 9,240,000 per person on the average.

The manufacturing firms employing less than five workers numbered 170,230 or 65.7 percent of the total, with their employees reaching 380,924 or mere 11.7 percent of the total.

Employees' wages differed much depending on the size of firms. The average annual wage of workers at those firms with less than five people was only 3,520,000 won while that of those at larger firms 9,990,000 won.

#### **Foreign Workers Said Leaving Small Businesses**

*SK2612012794 Seoul YONHAP in English 0059 GMT 26 Dec 94*

[FBIS Transcribed Text] Seoul, Dec. 26 (YONHAP)—More than 10 percent of the foreign workers employed by small businesses here have deserted their jobs or stopped working due to illness or injury, the Korean Federation of Small Business (KFSB) said Monday. The KFSB has brought in 18,494 foreign workers since late May this year, and 1,989 or 10.75 percent are no longer working, according to the federation. Those having deserted their jobs amount to 1,718, while those coming down with illness number 124.

Moreover, 104 foreign workers gave up their jobs here due to personal reasons, and 43 others had to stop working after they were injured in accidents, the KFSB said.

Small businesses have hired foreign workers due to a lack of cheap local labor. But with more than 10 percent of



these workers having stopped, small firms are having problems filling vacant jobs.

A KFSB official said, "We are studying ways to increase the wages of the foreign workers to prevent them from deserting their jobs."

#### **Amnesty International Reports Rights Situation**

SK2712073994 Seoul HANGYORE SINMUN in Korean  
27 Dec 94 p 1

[Report by Kwon Pok-ki]

[FBIS Translated Text] Amnesty International revealed that as of 26 December there are some 500 political prisoners in the ROK and that the human rights situation has become all the more aggravated due to the misuse of the National Security Law.

Amnesty International revealed this in a 'Report on the ROK's human rights situation in 1994,' which was drafted after three investigators conducted a wide-scale inquiry in October.

The report revealed: "Even after the inauguration of the civilian-ruled government, the ROK is not taking measures to improve the human rights situation, such as revising the National Security Law."

According to the report, about 100 students, laborers, and scholars were arrested in 1994 on charges of violating the National Security Law, and hundreds of people were taken into custody after exercising their right of expression and freedom of assembly and association.

#### **No Tae-u's Son Accepted as DLP Chapter Chairman**

SK2712081994 Seoul YONHAP in English 0759 GMT  
27 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 27 (YONHAP)—The ruling Democratic Liberal Party (DLP) Tuesday installed the son of former President No Tae-u as head of its local chapter in Taegu, No's hometown.

Although the designation of No Chae-hon as chief of the DLP's Taegu city's tong (East)-B district chapter might be surprising in terms of timing, the younger No and the DLP have long negotiated his membership in the ruling party.

In fact, the DLP has been in contact with Choe Chae-uk, vice secretary-general of the ruling party who has a close relationship with No Tae-u, to discuss his son's joining the party since early this year.

The DLP's acceptance of Chae-hon and his party membership can be seen as serving the needs of both sides, which may be complementary.

The party wanted to take a conciliatory step toward No Tae-u to soothe the "T.K. (Taegu and North Kyongsang Province) sentiment," which means that public opinion in Taegu and North Kyongsang Province has turned

against the ruling party given its reform drive against T.K. figures who led past authoritarian regimes.

A ruling party candidate suffered a crushing defeat in a parliamentary by-election in the Taegu East-B district last year, making the ruling party even more aware of this important T.K. sentiment.

The party does not consider No Tae-u so influential or popular in Taegu that he can sway the overall sentiment in the region. Rather, it deems former President Chon Tu-hwan to be more influential and popular in the region than No Tae-u.

The party, however, decided to bring in the junior No to thaw the region's cold feelings toward the DLP, even though his ability was not proved beforehand.

The younger No's joining the ruling party, meanwhile, will help solve a longstanding problem of the Nos. No Tae-u and his wife had been hoping their son would join the nation's political circles. The senior No himself shrugged off press criticism while in office to appoint his son as the secretary of former National Assembly speaker Pak Chun-kyu. He probably wanted his son to gain valuable political experience by giving him the chance to work for the speaker.

The junior No then left the country to study in the United States just after the Kim Yong-sam administration took office. At that time, speaker Pak had to resign over allegations that he was involved in amassing wealth in indecent ways amid an overall atmosphere in which the outgoing No administration was subjected to much criticism.

The younger No, however, is being offered another chance in the political sphere thanks to the Taegu sentiment.

Before making a final decision on joining the party, Chae-hon is said to have voiced concern over whether he could survive the critical feelings of Taegu people, who are strongly against the Kim Yong-sam government and his ruling party. Some of his friends and those close to him tried to dissuade him from doing so.

In one instance, some apartments in the Taegu East-B district, which No Tae-u recently purchased in an apparent bid to help his son campaign in the region, have been pelted with eggs in a show of dissatisfaction over No's return to his hometown.

The younger No also had to take into consideration anti-No Tae-u sentiment among students, especially when the spring semester begins next March.

As for the DLP, it has had to weather criticism from within in accepting Chae-hon. The rationale holds that it is illogical for the party to bring in the junior No, son of the symbol of a military regime, when it is trying to sever links with the No administration.



A senior lawmaker belonging to the party's reformist Minju faction strongly protested against the acceptance of the junior No, insisting that "cause and philosophy are more important than a seat (in the parliament)."

Some ruling party members also see the possibility of Chon Tu-hwan's son, Chae-kuk, running for a seat in Chon's home area of Hapchon County, South Kyongsang Province, in next year's parliamentary elections.

Kim Hong-il, son of former opposition leader and three-time presidential candidate Kim Tae-chung, has already entered politics by taking the post of head of the main opposition Democratic Party's local chapter in his father's hometown of Mokpo, a southwestern port city.

The junior No's membership in the ruling party will surely have a delicate impact on the current political scene, coupled with the fate of the sons of Chon Tu-hwan, Kim Tae-chung and even President Kim Yongsam. Kim's second son Hyon-chol is long said to have harbored aspirations of entering politics.

### Three Lawmakers Leave New People's Party

SK2412014594 Seoul THE KOREA TIMES in English  
24 Dec 94 p 2

[FBIS Transcribed Text] Reps. Yu Su-ho, Kim Yonghwan and Cho Sun-hwan bolted from the New People's Party Thursday, citing their disenchantment with the internal feuding by party leaders.

The three lawmakers said that they left the party because they were fed up with the power struggles by party leaders including Kim Tong-kil and Pak Chan-chong.

"We did our best to normalize the party. But we realized that we were incapable of uniting it and decided to leave," Rep. Yu said.

The three lawmakers, who supported neither Kim nor Pak, tried to end the intra-party feud by advising both Kim and Pak to quit their co-chairmanships.

Accepting their offer, Pak resigned. But Kim refused to quit. They were frustrated by the recent NPP supreme council's decision to allow Kim to stay as party co-head and this prompted them to bolt from the party.

The NPP was born last August from a merger of Kim's United People's Party and Pak's New Party for Political Reform. But their union came to a quick end after only two months as Pak was tapped as sole representative of the NPP by non-mainstreamers disenchanted with Kim.

The party's national convention, subsequently held to endorse Pak's appointment, was marred by violent clashes between thugs mobilized by the Kim and Pak camps.

### More Public Officials Made To Disclose Assets

SK2712105594 Seoul YONHAP in English 1043 GMT  
27 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 27 (YONHAP)—The cabinet on Tuesday adopted an amendment to the implementation decree of the Public Officials Ethics Law, featuring the expansion of the scope of those required to register their personal properties.

Under the revised decree, all officials down to rank-9's of the Board of Audit and Inspection, National Tax Administration, Customs Administration, and those of other central and provincial administration offices in the areas of inspection and taxation will be required to register their assets beginning next year.

In the police, officers down to those with the rank of assistant inspectors will have to go through property registration under the new system.

The new implementation decree stipulates that the public officials ethics committee may ask the head of a banking institution to provide information on a public official's financial transactions if he is suspected of having unfaithfully reported his financial conditions.

Also under the new system, the provincial offices of the police and tax administration are enabled to handle works related to property registration by public officials under their respective control.

### Inchon Tax Scam 'Mastermind' Receives Sentence

SK2712071094 Seoul YONHAP in English 0657 GMT  
27 Dec 94

[FBIS Transcribed Text] Inchon, Dec. 26 (YONHAP)—A heavy penalty of 22 and a half years in prison was handed down Tuesday [27 December] to An Yong-whi, the accused mastermind of Inchon City's Puk (North) Ward Office tax scam. The Inchon District Court also fined the official 4 billion won on charges of embezzlement in the line of duty. The 53-year-old An served as chief of the First Tax Subsection, North Ward Office, Inchon city.

The court also sentenced Yang In-suk to 15 years in prison and a 1-billion-won fine on the same charges, Yi Song-nok to 12 years in jail and a 700-million-won fine, and Kang Sin-hyo to 10 years in prison and a 500-million-won fine.

To the 25 other suspects being physically detained on charges of embezzlement, including Yi Tok-hwan, the court handed down prison terms ranging from one and a half to 12 years. Execution of sentence was suspended for 2 to 3 years for 10 others accused without physical detention, including Chong Hae-suk.

But the court acquitted for lack of evidence Mun To-sik, director of the Inchon City Culture and Arts Hall, indicted in physical detention for allegedly taking 20 million won in bribes from An Yong-whi. In its decision, the court defined the Inchon City North Ward Office Tax scam as "an aggressive crime perpetrated against all those citizens who strive to live with sincerity on small salaries."

"The tax irregularities committed by the accused not only gave rise to a sense of betrayal to the citizens as well as the court, but also revealed fraudulent hypocrisy and moral degeneration, leaving no room for sympathy."

In a court hearing on Dec. 13, the prosecution demanded life imprisonment for An and jail terms ranging from one and a half years to 20 years for the others.



## Burma

### Reportage on Visit by Li Peng, Delegation

#### Talks With Than Shwe

*BK2712154894 Rangoon Radio Myanmar in Burmese  
1330 GMT 27 Dec 94*

[FBIS Translated Text] Mr. Li Peng, the visiting premier of the State Council of the People's Republic of China, called on Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] of the Union of Myanmar [Burma] and prime minister, at the Protocol Chamber in the Pyithu Hluttaw [People's Assembly] building at 0930 this morning.

Also present with Sr. Gen. Than Shwe were General Maung Aye, SLORC vice chairman, deputy commander in chief of the Defense Services, and army commander in chief; Vice Admiral Maung Maung Khin and Lieutenant General Tin Tun, both SLORC members and deputy prime ministers; Lt. Gen. Khin Nyunt, SLORC secretary-1; Lt. Gen. Tin U, SLORC secretary-2; and U Ohn Gyaw, minister of foreign affairs. Mr. Li Peng was accompanied by Mr. Li Guixian, member of the State Council; Mr. Tang Jiaxuan, vice foreign minister; Mr. (Li Guanyin), vice minister and deputy director of the State Council's Foreign Affairs Office; Mrs. Chen Baoliu, ambassador of PRC; and responsible personnel.

At the meeting, Sr. Gen. Than Shwe and Mr. Li Peng exchanged friendly and cordial views on matters of bilateral interest.

Sr. Gen. Than Shwe, SLORC chairman and prime minister, and Mr. Li Peng, premier of the State Council of the PRC, held talks at the Meeting Hall of the Pyithu Hluttaw building at 1000 this morning.

Also present at the meeting were Gen. Maung Aye, SLORC vice chairman, deputy commander in chief of the Defense Services, and army commander in chief; Vice Adm. Maung Maung Khin and Lt. Gen. Tin Tun, both SLORC members and deputy prime ministers; Lt. Gen. Khin Nyunt, SLORC secretary-1; Lt. Gen. Tin U, SLORC secretary-2; Lt. Gen. Tun Kyi, minister of trade; Lt. Gen. Thein Win, minister of transport; Brigadier General Abel, minister of national planning and economic development; Brig. Gen. Lun Maung, minister of prime minister's office; U Ohn Gyaw, minister of foreign affairs; U Win Sein, minister of rail transportation; Brig. Gen. Win Tin, minister of finance and revenue; U Set, Myanmar [Burmese] ambassador to PRC; and responsible personnel. Mr. Li Peng was accompanied by Mr. Li Guixian, member of the State Council; Mr. Huang Zhendong, minister of communications; Mr. He Zhiqiang, governor of Yunnan Province; Mr. Tang Jiaxuan, vice foreign minister; Mr. Shi Guangshen, vice minister of foreign trade and economic cooperation; Mr. (Wang Qiyin), chairman of the China Bank Board; Mr. (Li Guanyin), vice minister and deputy director of the State

Council's Foreign Affairs Office; Mr. (Wan Qihau), special aide to the prime minister; Mrs. Chen Baoliu, ambassador of PRC; and senior officials.

At the meeting, both leaders held friendly and cordial talks on policy matters, achievements, international and regional situations, and bilateral relations and cooperation. Sr. Gen. Than Shwe noted Myanmar-China relations have been very satisfactory and new chapters have been opened in recent years. He also noted that the new generation of leaders have preserved and tried to improve the traditional *paukphaw* [familial] relations envisaged by the farsighted national leaders of both countries. Mr. Li Peng noted the objective of this trip is to deepen the existing bilateral goodwill and understanding and to promote economic cooperation. He expressed his desire to increase bilateral Myanmar-China trade and noted the smoothness in bilateral relations.

After the meeting, both leaders and members of their delegations took souvenir photographs.

#### Rail Minister Receives PRC Minister

*BK2712162994 Rangoon Radio Myanmar in Burmese  
1330 GMT 27 Dec 94*

[FBIS Translated Text] Mr. Huang Zhendong, PRC minister of communications—who is accompanying Mr. Li Peng, the premier of the PRC State Council—called on Minister of Rail Transportation U Win Sein at the latter's office at 1330 this afternoon. They held cordial and frank talks on motor vehicle transportation links between the two countries.

#### News Conference Held

*BK2812053194 Rangoon TV Myanmar Network in Burmese 1330 GMT 27 Dec 94*

["Full Text" of the statement by Mr. Wu Jianmin, director of the Information Department of the PRC Ministry of Foreign Affairs, at the news conference held on 27 December at the People's Assembly Building in Rangoon—read by announcer]

[FBIS Translated Text] Mr. Li Peng, premier of the State Council of the People's Republic of China, who is on an official goodwill visit to Myanmar [Burma], held official talks with Senior General Than Shwe, chairman of the State Law and Restoration Council [SLORC] and prime minister, at the People's Assembly Building this morning.

The two sides held extensive talks in a cordial and friendly atmosphere on matters related to Chinese-Myanmar relations and international and regional issues of mutual interests. The chairman and prime minister, Sr. Gen. Than Shwe first said he warmly welcomed the first visit to Myanmar by Premier Li Peng and considered it valuable and significant. Sr. Gen. Than Shwe happily recalled the warm reception and hospitality



accorded to him during his visit to the PRC in 1989 and his cordial meeting with Premier Li Peng. He also said the exchange of visits by leaders of the two countries and their discussions would certainly contribute to their continuous promotion of friendly relations.

Sr.Gen. Than Shwe also stated that it was the matter of delight and encouragement for Myanmar to see allround development in their ties, which not only serve the interests of the people of the two countries, but also contribute toward peace, stability, and development of the region. Premier Li Peng expressed sincere thanks for the warm welcome and hospitality given to him and his delegation by Sr.Gen. Than Shwe, the Myanmar Government, and the people.

Premier Li Peng said his current visit to Myanmar is aimed at further promoting mutual understanding and friendship to a new level, strengthening good-neighborly relations, and boosting mutually beneficial cooperation. Premier Li Peng said their time-tested traditional good-neighborly relations have been developing constantly and have wide prospects in the future. He said China's limited assistance to Myanmar reflects the Chinese people's friendship toward its people. Premier Li Peng expressed the desire to further promote economic and trade cooperation with Myanmar in the new situation based on equality and mutual interests. He said Myanmar-Chinese border trade could also be expanded and promoted and he would encourage cooperation. He added the Chinese Government would actively encourage Chinese companies and economic enterprises to participate in implementing large-scale projects and promote exchanges and cooperation with Myanmar in various forms. He expressed his view that economic enterprises should be the backbone of cooperation.

In the discussion between the two leaders, drug abuse control measures were also dealt with. The PRC Government has been making constant all-out efforts in carrying out anti-drug abuse measures and taking legal action. The Chinese Government is pleased with and commended the Myanmar Government's anti-drug policy and arrests and legal action undertaken in the recent years. Furthermore, Premier Li Peng also expressed his wish to carry out anti-drug measures effectively and extensively in cooperation with Myanmar as well as with UN agencies. He said it is the duty of countries responsible for production, consumption, and trafficking to combat the danger of narcotics and pointed out the need for all sides to make concerted efforts. He gave his commitment to this undertaking on the part of China.

Sr.Gen. Than Shwe said the Myanmar Government considered this problem handed down by history as serious. He said the Myanmar Government, which realizes the dangers of narcotics, is determined to solve the problem from all directions by implementing projects for the development of impoverished hilly regions in the north. It also desires wide cooperation with the international community.

On the international situation, Premier Li Peng stated that the world is still not very peaceful despite the end of the Cold War, and the gap between the South and North is widening. He said the problems of developing countries are worsening and that societies could be destabilized by poverty and famine. The establishment of a just and systematic international political and economic system has now become an identical slogan of developing nations. Premier Li Peng said we seek to make the 2,000-kilometer long border between China and Myanmar one of everlasting peace, stability, and friendship.

Premier Li Peng expressed Chinese Government's pleasure and commendation for Myanmar Government's endeavors for political stability, national reconciliation, economic development, raising the people's living standard, and achievements made so far.

On Chinese foreign policy, Premier Li Peng said China practised an independent and peaceful foreign policy focussing on economic development. He expressed his hope for a lasting peaceful and stable environment. Premier Li Peng said globally, China conducts diplomatic relations with nations based on the Five Principles of Peaceful Coexistence and that it desires development. On the regional level, China has constantly given importance to friendly and cordial relations with neighboring countries.

Premier Li Peng emphasized that China opposes hegemonism by other countries and will never practice hegemonism and strive for a sphere of influence. He said China opposes interference in its internal affairs and likewise will never interfere in the internal affairs of other countries. Every country and people have the right to choose their social system and path for development and China has all along urged the respect of history, cultural traditions, and the religious beliefs of nations.

Sr.Gen. Than Shwe said China, India, and Myanmar jointly formulated the Five Principles of Peaceful Coexistence. Over the past 40 years its meaning and significant influence has not diminished, and it has become a dynamic force guiding international relations. He said Myanmar foreign policy, which is based on the Five Principles of Peaceful Coexistence, stand for friendly relations with all countries of the world, particularly neighboring countries.

Sr.Gen. Than Shwe said Myanmar's external relations are expanding and increasing numbers of foreign entrepreneurs are making inquiries about economic cooperation. He said Myanmar is also reestablishing its diplomatic contact with Western nations. He said in its diplomatic relations, Myanmar attaches more importance to relations with countries in the region and there have been new developments in Myanmar's relations with ASEAN.

The leaders of the two countries also explained about the internal affairs and economic development of their two



countries. Sr.Gen. Than Shwe said he highly regards China's achievements in economic development and foreign affairs—which is attracting world attention—its ever-growing international prestige, and its increasingly significant role in promoting the world peace and development.

Premier Li Peng conveyed President Jiang Zemin's cordial greetings to Sr.Gen. Than Shwe and on behalf of President Jiang Zemin and on his own behalf, and invited Sr.Gen. Than Shwe to visit the PRC at the time convenient to him. Sr. Gen. Than Shwe thanked him for the invitation.

Present at today's talks on China's side were: Li Guixian, member of the State Council; Huang Zhendong, minister of communications; He Zhiqiang, governor of Yunnan Province; Tang Jiaxuan, vice foreign minister; Shi Guangshen, vice minister of foreign trade and economic cooperation; (Wan Qiyin), chairman of the China Bank Board; (Li Jongmin), vice minister and deputy director of the State Council's Foreign Affairs Office; and Chen Baoli, Chinese ambassador to Myanmar.

Present at the talks on Myanmar's side were: General Maung Aye, deputy chairman of the SLORC; Vice Admiral Maung Maung Khin and Lieutenant General Tin Tun, deputy prime ministers; Lt. Gen. Khin Nyunt, SLORC secretary-1; Lt. Gen. Tin U, SLORC secretary-2; U Ohn Gyaw, foreign minister; and U Set, Myanmar ambassador to China.

#### **Denies Military Expansion**

*OW2812081594 Tokyo KYODO in English 0803 GMT 28 Dec 94*

[FBIS Transcribed Text] Yangon [Rangoon], Dec. 28 KYODO—Visiting Chinese Premier Li Peng said Wednesday [28 December] allegations about China's military expansion in the Indian Ocean is pure fabrication.

Li, on a three-day goodwill visit to Myanmar [Burma], made the statement in reply to a question at a press conference on allegations of China's intention to use Myanmar as an outlet to the Indian Ocean.

"Allegations about China's military expansion in the Indian Ocean is pure fabrication. We are devoted to peace and against hegemonism," he said before his departure in the afternoon.

"We have not stationed one soldier outside our country," he added. "There is no military personnel in our delegation and we did not discuss any military matters with Myanmar leaders."

China, the Myanmar military junta's most important foreign ally, has been rumored to be building a naval base off the southern Myanmar coast.

On alleged human rights violations in some Asian countries, including China and Myanmar, the Chinese premier said, "developing countries' concept of human

rights includes not only political rights, but the right to existence and development. It is not permissible for anyone to use human right issues to interfere in another country's internal affairs."

Asked whether he discussed the issue of Aung San Suu Kyi with Myanmar leaders, Li said, "Aung San Suu Kyi's affair is Myanmar's internal affair, where we do not interfere. We are not like the Westerners. We did not discuss (her) at all."

Opposition leader Aung San Suu Kyi has been under house arrest in Yangon since 1989 and the military junta has refused to accept results of the 1990 election, which were won by her National League for Democracy.

During formal talks Tuesday with Gen. Than Shwe, chairman of the State Law and Order Restoration Council (SLORC), Li said Beijing wants to promote trade and economic cooperation with Yangon on the basis of equality and mutual benefit, according to an official Chinese press report.

Li is the highest ranking Chinese official to visit Myanmar since the SLORC seized power in a 1988 military coup d'etat.

### **Brunei, Malaysia & Singapore**

#### **Malaysia**

#### **Commentary Praises Carter Mission in Bosnia**

*BK2412154494 Kuala Lumpur Voice of Malaysia in English 0810 GMT 24 Dec 94*

[Station commentary]

[FBIS Transcribed Text] Praises have come in for former U.S. President Jimmy Carter's mediation efforts in Bosnia. He has surprisingly worked out a peace plan which has provided some source of optimism in the place where there was utter dismay only a few days ago.

However, the besieged Bosnian Muslims doubt whether the Serbs will honor their commitment to the agreed upon (?four-month-old) cease-fire. Mr. Carter's efforts are noteworthy but the final outcome will depend on the Serbs. Possibly Carter does not understand the tricks of the Serbs, but at least he has got the politicians talking again and that is something to cherish.

The war option is not doing anybody any good. The former President wrapped up his state visit to Bosnia-Herzegovina with an agreement between the warring parties on a cease-fire in the country's 32-month war. Scheduled to have gone into effect yesterday, the cease-fire is to be accompanied by talks on a comprehensive division of [word indistinct]. It also includes a negotiated settlement to Europe's worst conflict since World War II. It is understandable that Bosnian Government officials are wary of such negotiations. This is because the Serbs have yet to (?accept a peace treaty) for Bosnia



crafted by Russia, the United States, Britain, France, and Germany several months ago.

Nevertheless, for the ordinary people restarting the talks is a good idea, regardless of the Serb position. It is both a calling and the avenue for peace no matter how remote its efforts to save every single life. Armed Bosnian Serbs have captured 70 percent of the country against government troops who are hampered by an international arms embargo. There are many who are desperate to see that the Carter-initiated peace. In what is seen as the positive development of these initiatives, Serb leader Radovan Karadzic has requested an urgent meeting with United Nations officials to discuss early implementation of the Carter peace plan. It is encouraging too that he has also invited UN Special Envoy Yasushi Akashi and UN Commander Sir Michael Rose to discuss ways to implement the pact on a Bosnia-wide cease-fire. In the meantime, the Serbs have pledged the reopening of Sarajevo Airport and free passage of UN military and humanitarian convoys.

In contrast, the conciliatory spirit of Carter negotiations with the Serb political leaders did not carry over into the behavior of Serb forces blasting away at the gates of Bihac. Also, the Serbs have attached unacceptable conditions to the tentative cease-fire. This may jeopardize the fragile pact reached by Carter. Despite this, Carter's move is seen as a momentum to the peace process. A golden opportunity, perhaps the last, which must not be lost. Carter's mission has also been criticized by some as giving too much sympathy to the Serbs. He also could have saved Karadzic from isolation from the world community. Nevertheless, in the situation which always seemed hopeless just a few days [as heard], Carter had provided some optimism and that alone means a lot.

#### **Mahathir Denies Rift With Anwar Ibrahim**

*BK2712153494 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 27 Dec 94*

[Passages in boldface in English]

[FBIS Translated Text] Prime Minister Datuk Sri Dr. Mahathir again dismissed speculation about the rift between him and his deputy, Datuk Sri Anwar Ibrahim, saying they met frequently to discuss official matters.

Speaking from Radio and Television Malaysia (RTM) news center's mini studio in an interview via teleconferencing with the Singapore-based business television network, Asia Business News, he said the purported rift which had become the subject of intense speculation lately was merely misinterpretation by various people.

[Begin Mahathir recording] There is no difference of opinions. This is something that people tried to interpret from what he [Anwar] says and from what I say. We agree entirely and I must say that with my present deputy, we have meetings at least three times a week. Even this

morning I had a meeting with him to discuss matters relating to his job and my job. We coordinate very well. [end recording]

Dr. Mahathir was also asked if Malaysia is having difficulties in getting qualified and skilled workers to fill up technical jobs.

[Begin recording] [Correspondent's question indistinct]

[Mahathir] Well, it is valid to a certain extent but we are doing our best to retrain our workers. We think that Malaysian workers can pick up new skills very easily, so all they need to do is to retrain their workers. [end recording]

The prime minister was asked if foreign investors can participate in Malaysia's privatization program.

[Begin recording] [Correspondent's question indistinct]

[Mahathir] I think it will accelerate because we have learned a lot about how to carry out privatization. We have always allowed for foreign participation. They are able to buy shares in the stock markets. We don't close our stock markets to foreigners so they can have roles in privatization, but of course we need to give the copies to a lot of Malaysian companies because we are still in the process of restructuring our economy.

[Correspondent] And how about Malaysia's banking and financial services. How quickly will they be opened to more foreign participation?

[Mahathir] As soon as we think they can compete with the rest. You must remember that our financial institutions are rather small and they are not in a position to compete with those monstrous financial institutions coming out of the western countries. For example, today's newspaper says that City Bank is easily the biggest bank operating in East Asia, and that is without their real opening up of the Asian market. [end recording]

#### **Commentary on Efforts in South-South Trade**

*BK2712131794 Kuala Lumpur Voice of Malaysia in English 0810 GMT 27 Dec 94*

[Station commentary]

[FBIS Transcribed Text] The recent investment missions from Kenya, Ghana, and Zimbabwe is yet another significant step toward enhancing South-South economic cooperation. These African states are reciprocating Malaysia's desire to make inroads into the South market. This is not just for its own benefit, but also to help invigorate the economies of the South nations. Eventually, it is hoped that with growth-oriented economies, the South will be able to lessen its dependence on the North. By fending for itself, the South will be able to improve its bargaining position in international matters now mainly dominated by the industrialized North.

As for Malaysia, it has done more than enough talking on the need to enhance South-South cooperation. The



major obstacle hampering South trade was that the South traders with their close neighbors when they were not trading with their traditional partners in the industrialized world. [sentence as heard] Realizing South countries were getting nowhere, Malaysia took the lead in 1992 by establishing Malaysia's South-South cooperation. This has proven to be a major confidence provider for Malaysian investors going abroad, particularly to the developing countries. Its bilateral payment arrangements also became a major impetus for trade.

Today, the statistics do the talking for Malaysia. Trade with the South countries amounted to 43.9 billion ringgit, (?for) 5.0 billion ringgit more than last year and significantly higher than before the 1989 Group of 15 developing countries meeting in Kuala Lumpur. Credit should also go the South Investment Trade and Technology Data Exchange Center, SITTEDEC. The center has grown to become a highly successful resource for exchange of trade information among South-South countries.

Many of the South countries' delegations which visited here also wanted to learn from Kuala Lumpur's development strategy. With the aid from the World Bank and other international financial agencies, their economies are undergoing structural changes. Therefore they are keen to study Malaysia's success in privatization as well as the best way to adopt free market principles to boost foreign investment.

Malaysia has done a lot by way of forming joint ventures, facilitating capital flows and technology transfer, as well as generating employment opportunities. There are also numerous opportunities in infrastructure development, power generation, construction, and even tourism development. The ball is at the feet of the private sector to carry further what their respective governments have achieved. The South countries can be springboards to the larger markets in their respective region. They are also encouraged to use Malaysia as a base to penetrate the vast ASEAN market. Nevertheless, South countries should not get complacent for they still have a long way to go before they can match the North.

Most importantly, South countries must try to maintain political stability. While many in the South countries have a lot of potentials, squabble between rival factions jeopardizes their road to economic prosperity. This must be avoided if the South is to have its equal say both in economic and political issues and take its rightful place in the global arena.

#### **DAP Members Detained for Handing Out Leaflets**

*BK2712131594 Kuala Lumpur BERITA HARIAN in Malay 19 Dec 94 p 2*

[FBIS Translated Text] Seremban, Sunday—Police arrested four senior DAP [Democratic Action Party]

leaders of Negeri Sembilan for disseminating political leaflets without permit at the central market here this morning.

They are Gunasekaran Palasamy, 35, political secretary to the DAP national chairman, Dr. Chen Man Hin; Lim Seng Chuan, 41, publicity chief of the Negeri Sembilan State DAP; Abdul Malek Anwar, 62, vice president of the Negeri Sembilan State DAP; and Khoo Seng Hock, 46, deputy president of the Negeri Sembilan State DAP.

Nordin Zakaria, district police chief deputy commissioner, said they were arrested around ten o'clock in the morning while gathering with over 30 people at the market.

According to him, the police seized over 300 leaflets from the four leaders.

"They have been arrested for violating the Printing Machines Act and for having no police permit to disseminate leaflets," he said here today.

He said that Chan Kok Wah and Wong Zee Nyok, DAP state assemblymen for Mambau and Bahau respectively, were among those attending the assembly.

The leaflets printed in three languages—Malay, Mandarin, and Tamil—were entitled "Vote for the DAP for Genuine Freedom: Ten Points of Democratization."

The leaflets asked the people to vote for the DAP to achieve 10 features of democracy, including the abolition of the Internal Security Act and the Official Secrets Act.

Nordin said that they are being questioned at the Seremban Police Station.

Last Friday, he warned that police would take action against persons who were to attend an illegal gathering scheduled to be held at the central market today.

### **Cambodia**

#### **Sihanouk Said '99% Healthy'; To Return 4 Jan**

*BK2812110794 Hong Kong AFP in English 1051 GMT 28 Dec 94*

[FBIS Transcribed Text] Phnom Penh, Dec 28 (AFP)—Cambodian King Norodom Sihanouk, who has been recovering from cancer treatment in China, will return to Cambodia January 4, government and palace officials said Wednesday.

"His majesty the king will come back to Cambodia next week and I think the queen will come with him," a senior government official told AFP.

"The king is now 99 percent healthy and so his Chinese doctors have allowed him to return to Cambodia," the official said.



The 73-year-old monarch left for China on May 18 saying he needed treatment for "serious health problems," but adding the main reason for his departure ahead of schedule was frustration at the ongoing political conflicts in Cambodia.

King Sihanouk began chemotherapy and radiation treatment in October 1993 following the discovery of a tumor near his prostate gland, a cancer that later spread to his bone marrow.

Queen Norodom Monineat Sihanouk recently visited Cambodia alone arriving November 28 and returning to Beijing some six days later.

### **Ranariddh: Only Sihanouk Can Seek Peace**

*BK2612073194 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 26 Dec 94*

[FBIS Translated Text] Prince Krompreah Norodom Ranariddh, first prime minister of the Royal Government of Cambodia, has emphasized that national reconciliation is vitally important to restoring peace in Cambodia. Commenting on the national reconciliation issue, the prince said: The major political parties, that is, FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and the Cambodian People's Party, have determined to heed the national reconciliation policy advocated by His Majesty King Norodom Sihanouk Varaman. This is because we have absolutely realized that only His Majesty is able to save Cambodia from the flames of war.

The prince and first prime minister also talked about national development, saying division can never help us to achieve development. On the contrary, national development can only surge forward if all of us know exactly what the national interests are and if all of us heed the policy outlined by our king.

On the Khmer Rouge issue, Prince Krompreah Norodom Ranariddh said the group lacks nationalist feeling and has acted as rebels to destroy the welfare of the Cambodian people. However, he said only His Majesty King Norodom Sihanouk is capable of promoting national reconciliation and seeking genuine peace for Cambodia.

### **Khmer Rouge Condemned for Kidnapping German**

*BK2812040994 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 27 Dec 94*

[Political commentary: "The Khmer Rouge Are Digging a Grave to Bury Themselves"]

[FBIS Translated Text] The German Embassy recently announced that a 32-year-old German disappeared while touring the eastern border of Thailand on a motorcycle. The German, Matthias Wolf, was said to have been kidnapped by Khmer Rouge rebels. Wolf disappeared on

8 December while touring Chanthaburi Province in an area near the base of this outlawed group.

It is still remembered well that a few days after Paet [Khmer Rouge General Nuon Paet] had abducted three foreigners at Phnum Voar [in Kampot Province], Pol Pot, alias 89, ordered the Khmer Rouge rebels to concentrate on kidnapping [words indistinct] foreigners to serve their insane policy. Under this policy of dark terrorism, nine foreigners have been abducted by the Khmer Rouge in Cambodia. One of them was released after a huge ransom was paid. However, six others were killed and the fate of two others is unknown.

In the past several weeks, the Khmer Rouge have intensified their activities by launching assaults on villages and burning and destroying rice and crops.

The national and international public and Southeast Asian observers regard the Khmer Rouge action above as tantamount to digging a grave for themselves. This is because everyone knows that after January 1995, the Khmer Rouge will become outlaws banned from society and more isolated than ever before. Therefore, in order to survive, these elements should have done something to gain international sympathy and the support of the people in the outlying areas. On the contrary, being irritated and confused by their continual defeats both politically and militarily, they [words indistinct]. They may have forgotten that they were condemned by the international community after Paet killed the three foreign hostages. The Australian Government has also doubled its military aid to the royal government to upgrade the capability of the Khmer Royal Armed Forces to attack (?these rebels).

The German Government will definitely not absolve the Khmer Rouge if they do anything to endanger Matthias Wolf's life. Then, the Khmer Rouge will realize the consequences of their (?crime).

In the name of the Cambodian people nationwide, the Royal Government of Cambodia [RGC] strongly and firmly condemns such a cowardly act [words indistinct].

At the same time, as the sole legitimate authority of the Kingdom of Cambodia, the RGC will investigate the disappearance of Matthias Wolf and attempt to find and punish his kidnappers for their wrongdoing.

### **Ministry Orders Probe**

*BK2712133994 Phnom Penh AKP in English 1010 GMT 27 Dec 94*

[FBIS Transcribed Text] Phnom Penh AKP December 27—The Ministry of Foreign Affairs and International Cooperation has been requested by the German Embassy to investigate the German citizen who went missing at the Cambodian-Thai border.

"We have received a verbal note from the German Embassy requesting the Ministry of Foreign Affairs to



investigate the disappearance of a German citizen," said a Foreign Ministry statement.

In response to the request, Foreign Minister Ing Huot has ordered the Cambodian Embassy in Bangkok to go through all the German applications for visas to Cambodia, because the German citizen disappeared in Battambang or Banteay Meanchey where there were no international crossing points.

The minister is taking this matter seriously and has asked the Ministries of Interior and Defense to investigate. The Ministry of Foreign Affairs is also working hard to get a result on this investigation.

### **Hun Sen Considers Government's Achievements**

*BK2612072394 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT  
26 Dec 94*

[FBIS Translated Text] Samdech Hun Sen, second prime minister of the Royal Government of Cambodia [RGC], said recently that the government's priority is to make development zones stable and, even more importantly, to improve the people's living standard and improve in a number of other important sectors. He said that more than one year after the formation of the RGC, which has been under the leadership of His Majesty King Norodom Sihanouk Varaman, the country's image has improved and satisfactory achievements have been gained. The successes won by the RGC under the leadership of First Prime Minister Prince Krompreah Norodom Ranariddh and his are the fruits yielded from the spirit of solidarity bolstered by the two major political parties, which have heeded the political line drawn by his majesty the king in the movement of promoting national union, enhancing national development, and improving the people's living conditions.

Commenting on the current national situation, the second prime minister said: We are extremely proud to see a growing number of our compatriots who served the Party of Democratic Kampuchea return to national fold. He emphasized that the movement has weakened the Khmer Rouge force, thereby enhancing safety and tranquility among the people and assuring their life. The event is also important, he added, to expand development and tourist zones.

### **Sam Rangsi on Maintaining Conditions for Aid**

*BK2812071594 Phnom Penh THE CAMBODIA DAILY in English 23 Dec 94 p 8*

[Report by James Kanter]

[FBIS Transcribed Text] International organizations and donor countries should continue to offer generous financial support to Cambodia but also employ a policy of "conditionality," Sam Rangsi reports telling top French and American officials.

"I told people I met that Cambodia needs international assistance, that the country cannot continue its development without it," said the MP for Siem Reap and former minister of finance—who returned this week from private visits to France and the United States.

"But in my meetings and presentations I also stressed that close monitoring is required to make sure the best use is being made of the resources given to Cambodia," Rangsi told THE CAMBODIA DAILY in an interview yesterday. He said officials from the World Bank and International Monetary Fund (IMF) were interested in hearing "all kinds of perspectives" on developments in Cambodia.

He added that neither organization is considering changing its policy on aid but they would be "much more vigilant in the future in making sure funds are being used in the best interests of Cambodia and its people," Rangsi warned.

Donors should pay particular attention to logging revenues, he said. If management of the timber trade was transferred back to the Ministry of Agriculture, Forestry, and Fisheries and the Ministry of Finance, the treasury could enjoy annual revenues of as much as \$150 million, thereby weaning the government from dependence on international donors, Rangsi noted. The Ministry of National Defense—given control of timber by the co-prime ministers in June—has acknowledged the arrangement is supposed to be short term.

Key factors the donor community should watch for are good governance, transparency, accountability and good use of public funds, Rangsi explained.

In particular, contracts entailing "contingent liability," where the state is legally obligated to pay compensation if it fails to meet certain conditions, should be subject to approval by the National Assembly, he said.

### **Khmer Rouge 'Not Responsible' for Loans**

*BK2412134194 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 24 Dec 94*

["Communique" issued by the spokesman of the Provisional Government of National Union and National Salvation on 24 December; place not given]

[FBIS Translated Text] 1. In the past, present, and future, the two-headed government and some foreign countries have signed agreements on financial loans and other aid relating to the continuation of the communist Vietnamese war to kill the Cambodian nation and people.

2. The Provisional Government of National Union and National Salvation [PGNUNS] rejects all these agreements and considers them null and void. The PGNUNS and Democratic Kampuchea will not be responsible for the loans and various forms of aid. The two-headed



government is very corrupt and is a lackey of the foreigners. It has not used the money and aid to serve the people's interests. On the contrary, the two-headed government has used a large part of the money to buy weapons and ammunition to continue the Vietnamese aggressors' war to kill the Cambodian nation and people and continue the great, excruciating destruction. Another part of the money has been used by the two-headed government—with Hun Sen, Ranariddh, and Chea Sim as the ringleaders—to line its own pockets. The true nature of this money and aid is that it is a strategy by the villainous elements to destroy national reconciliation, peace, and national union and push the Cambodian nation and people into a disastrous ravine so that the Western powers can scramble after their respective interests and communist Vietnam can annex Cambodia and turn it into another Kampuchea Kraom [former Cambodian territory now part of southern Vietnam].

3. Therefore, the PGNUNS, Democratic Kampuchea, and the future Cambodian Government are not responsible for repayment, either now or in the future. Those who sign agreements with the two-headed government are fully responsible for these loans and various forms of aid.

24 December 1994  
The PGNUNS spokesman

### Indonesia

#### Minister on Foreign, Domestic Investment Surge

BK2812024694 Jakarta THE JAKARTA POST in English 23 Dec 94 p 1

[FBIS Transcribed Text] Jakarta (JP)—Foreign investments approved by the government increased by 194 percent to a record high of U.S. \$23.7 billion this year, while domestic investments rose 34.9 percent to Rp. [rupiah] 53.3 trillion (\$24.2 billion), a minister announced yesterday.

"The drastic increase in investments, even though it was supported by the licensing of six large projects, indicates that the business climate in the country is conducive and quite attractive to investors," State Minister of Investment Sanyoto Sastrowardoyo told a news conference here yesterday.

The six large projects included three oil refineries, two power plants, and an integrated steel mill with total investments of about \$8 billion.

The figures on investments reported by Sanyoto include equities and loans.

The minister said that improvements in the country's infrastructure facilities and investment rulings, coupled with higher growth in the world economy and the global trend of trade and investment liberalization, have led

him to believe that approvals of both foreign and domestic investments will increase further next year.

Sanyoto, who is also chairman of the Investment Coordinating Board (BKPM), said that Hong Kong has emerged as this year's largest foreign investor in Indonesia with total investment commitments of \$6.04 billion as of Dec. 15, followed by Britain with \$2.95 billion, Taiwan with \$2.48 billion, South Korea with \$1.88 billion, Japan with nearly \$1.53 billion, and the United States with \$1.52 billion.

However, in terms of cumulative investments since 1967—the year for the introduction of the law on foreign investment—Japan remains the largest foreign investor in Indonesia with total approved investments of \$18.62 billion as of Nov. 30, followed by Hong Kong with \$14.14 billion, the United States with \$8.65 billion, Singapore with \$7.11 billion, Taiwan with \$6.83 billion, and South Korea with \$5.49 billion.

These figures exclude the 14 projects worth \$81 million whose licenses were revoked this year due to the failure of their sponsors to start construction within six years after their approvals.

Sanyoto said that the foreign investments approved this year are committed for the establishment of 449 projects, which will employ 316,809 Indonesians and 6,804 foreigners.

Only 36 percent of the foreign investment projects approved this year will rely on the domestic market. "Almost 64 percent of this year's foreign investment projects plan to export their products, with total foreign exchange revenues estimated at \$13 billion per annum," he said.

He said this year's realization of foreign investment commitments, which received government approvals in the previous years, increased by 141 percent to \$7 billion from merely \$2.9 billion last year.

Sanyoto said that the steady increase in domestic investments from Rp. 29.34 trillion in 1992 to Rp. 39.45 trillion in 1993 and to Rp. 53.3 trillion this year also indicates that domestic sources of capital have strong foundations for business development.

He, however, acknowledged that this year's approvals of domestic investments have not reached the previous record high of Rp. 56.51 trillion in 1990.

About 45 percent of this year's domestic investment projects rely on domestic market sales, while the other 55 percent plan to export their products to obtain total revenues of \$13 billion per annum.

The realization of domestic investment projects increased by 30.4 percent to Rp. 24 trillion this year from Rp. 18.4 trillion in 1993.

Sanyoto said BKPM revoked licenses for 75 domestic investment projects worth Rp 2.6 trillion this year.



He acknowledged that the increasing domestic investments will need loan assistance from domestic banks. "We hope domestic banks will be willing to support the investors' projects," he said.

He said foreign investors are expected to receive most of their loans from foreign banks. "But the government will surely continue monitoring the inflow of off-shore borrowing so that they will not affect our balance of payments," he said.

#### Minister Says Issuance of Licenses 'Frozen'

BK2712145994 Jakarta THE JAKARTA POST in English 27 Dec 94 p 1

[FBIS Transcribed Excerpt] Jakarta (JAKARTA POST)—The government has frozen the issuance of press publishing licenses (SIUPP) for 1995, except for special sector publications like trade and sports gazettes, Minister of Information Harmoko announced yesterday.

Harmoko said after presenting press awards at the Indonesian Journalists Association (PWI) that the government would not issue any new publishing licenses for newspapers or magazines on current affairs in 1995.

"We have too many press publications," the minister said, citing the current 283 licensed publications throughout the country.

The door however is still open for those who want to offer special publications such as trade and sports magazines to the public.

Harmoko's statement comes as the final blow to any remaining hopes by a group of former journalists of the defunct TEMPO current affairs magazine of starting a new publication of their own. The journalists have applied to Harmoko's office for a new SIUPP.

Asked about this matter yesterday, Harmoko said there was no chance for them to obtain a new license. "It's final."

He pointed out that the government has already issued one new license to the former TEMPO employees, who started up GATRA magazine last month.

TEMPO lost its license in June for repeatedly ignoring the government's warnings about its editorial content. The former employees of the magazine have since split into two groups, the one for GATRA, which is financed by timber tycoon Mohamad (Bob) Hasan, and another group intending to establish their own. Some of the former employees are suing Harmoko for his decision to revoke TEMPO's SIUPP.

Besides TEMPO, two other current affairs magazine EDITOR and DETIK also lost their licenses in one swoop in June.

Asked whether he thinks there will be more magazine closures next year, Harmoko said that there was no reason why any publication should lose its SIUPP as long

as it complies with the regulations laid out by the Press Council. "I hope there will not be any need for any media ban in 1995," he said.

He warned that the government will not hesitate to punish publications, which violate regulations and the journalistic code of ethics.

Looking back at the outgoing 1994, he said the local media industry overall has done its part in supporting the national development program.

The government always welcome any criticism from the press as long as this is done within the prescribed guidelines and is constructive, he said, adding that the press also has the duty of educating people and encouraging political thinking and reasoning. [passage omitted]

Harmoko told the domestic press not to be carried away by the actions of the foreign press which discredited the nation and its government in the name of human rights.

"We have to stick to the state ideology Pancasila," Harmoko said.

#### Editorial Views 1994 Economic Situation

BK2712143594 Jakarta SUARA PEMBARUAN in Indonesian 26 Dec 94 p 2

[Editorial: "Evaluation of 1994 Economy, Projection for 1995"]

[FBIS Translated Text] Numerous mass media have presented their year-end economic reports as the year draws to an end. They presented their views on the 1994 economic situation and simultaneously made predictions for economic development in 1995. Indonesia's economic situation in 1994 can be considered stable with an average growth of 6 percent while the inflation rate was recorded at 9.6 percent at the end of the year, just slightly below a two-digit figure.

The various macroeconomics indicators in 1994 pointed to the achievements of several predicted objectives made last year. The country, however, had to face and overcome several macroeconomics obstacles in 1994—some of which caused critical problems. Among other things, there was the rise in cement prices and the regressing public confidence in the banking sector due to the increase in bad debts. The issue reached its climax when the GKG [Golden Key Group] scandal was unfurled. This case had a far-reaching effect. The embezzlement of state funds amounting to 1.3 trillion rupiah by Eddy Tansil was a result of his collusion with the Bapindo [Development Bank of Indonesia] administrators.

Alongside these issues, there also were cases of protests by workers in 1994 demanding better working conditions. The protests affected the stability of the manpower sector. Then, there also were cases related to fictitious tax claims and fake export documents. It was felt that numerous problems dominated the year 1994. From the



views gathered, there was an indication that joint venture opportunities were unequally distributed. It was feared that the provision of protection and excessive facilities to conglomerate companies had concentrated the distribution of economic power to only a limited group.

The issue of providing protection to upstream industries and the interest of downstream industries to absorb the upstream industries has become a popular and heated topic by the end of 1994. This issue created a greater polarization of interests between the economies, particularly between the strong and weak economies which are expected to establish partnerships in various aspects of development.

With the announcement of the Bogor Declaration by the APEC [Asia-Pacific Economic Cooperation] leaders at their recent meeting in Indonesia, a stage was set for early trade liberalization and investment by the year 2020. This declaration seemed to have enhanced greater cooperation in the Asia-Pacific region. On the other hand, it simultaneously and discreetly activated controversial opinions. However, by the end of the second long-term development program, whether we are willing, ready, or otherwise, we will definitely be faced with the issue of trade liberalization and investments which have become the choice of most countries.

Meanwhile, we are attracted to this year's economic globalization process and the competition among the global economic blocs. We are currently faced with an economic climate which has become increasingly competitive in global as well as regional markets. Competition based on comparative superiority, namely cheap labor and abundant natural resources, concentrated on the country's human resources acquisition and the application of modern technology which has the ability to contribute toward higher added value on goods.

On the other hand, we should be thankful with regard to the fact that no drastic action, like a devaluation, was carried out despite the difficult monetary situation all this year and despite the predictions made by economists of such a possibility. The cabinet was considered to have scored an extraordinary success.

Unquestionably, the impressive economic growth was the result of good management of the country's macroeconomics. Appropriate fiscal or monetary decisions were made, the deregulation of the real sector occurred, and the debureaucratization process continued in the effort to throttle the high cost economy.

In this context, it should be pointed out that the objective of the 28 June 1994 deregulation package on import procedures was aimed at gradually lifting protective tariffs. Import tariffs on 739 items which cover industrial, agricultural, logistics and health goods will be reduced. Such a stable economic atmosphere will further encourage economic participants to increase their production in the effort to boost nonoil exports.

We absolutely hope that the momentum that has boosted our economic performance in 1994 and which has prevented upheavals and drastic measures, such as devaluation, will continuously prevail in 1995.

### Support for Weak Segments of Economy Urged

*BK2412143794 Jakarta KOMPAS in Indonesian 23 Dec 94 p 4*

[Editorial: "Overcoming the Gap Through Genuine Partiality to the People's Economy"]

[FBIS Translated Text] We are now facing a big question: How can we resist the great wave of global trade and investment liberalization? This question is based on the reality of how uneven our national economic structure is. It is a structure dominated by traditional economic actors who have very limited access to the market, capital, technology, or information.

A lot of different problems have emerged since deregulation packages were introduced in the mid-1980's. The issue of conglomeration echoes the loudest as the lower social stratum is left behind in the competition for economic opportunities provided by the government. Without belittling its positive achievements, deregulation has created an imbalance between the stronger economic actors and the weaker ones in their efforts to achieve progress and growth. Deregulation has been blamed for the wider economic gap.

An even worse picture is overshadowing us as reality requires us to act beyond domestic competition. There is a confidence that the world will one day be unable to distinguish between the domestic and international markets.

There is proof that countries that pursue a liberalized economic system have been able to gain greater progress than those with a different economic system.

Conversely, there is a conviction that economic progress will not automatically benefit those in the lower social stratum. In many cases, the development process has caused a trickle-up [preceding two words in English] in which the system gives more benefit to those in the higher social stratum.

For us, the question is not whether we are going to go along with the global wave. As a nation, we have made a choice to go along. The problem now is how to take optimal advantage of every opportunity while simultaneously ensuring that the economic advantages of liberalization will be enjoyed by the whole nation and will not wipe out the weaker economic actors.

This problem may be our greatest economic task at present because it affects the fate of the majority of the people. Central Bureau of Statistics data shows that in 1992 97.4 percent of Indonesian families were still involved in home industries with an annual turnover



below 50 million rupiah. Meanwhile, 14 percent of the population still lives below the poverty line.

Ginanjjar Kartasasmita, minister of state for national development planning and chairman of the National Development Planning Board, warned us in his lecture at Gajahmada University in Yogyakarta on Tuesday (20 December) of the possible positive and negative affects of the liberalization process.

According to Minister Ginanjjar, the correct answer to avoiding the negative affects of liberalization is partiality toward the lower economic actors; what he calls the people's economy. Without real partiality—partiality that is manifested in strategic steps to overcome the people's backwardness and low competitiveness—the economic gap will widen. In concrete terms, the strategic steps must be manifested in policies to improve the access of lower economic actors to facilities ranging from production means to human resource development with the objective of improving their competitiveness. Simultaneously, efforts must also be made to provide legal protection from the negative side of the liberalized market practices.

We know that the government has launched a lot of programs to overcome the economic gap and free people in the lower social stratum from backwardness. Various efforts have been made, ranging from credit schemes and appeals.

Without belittling these efforts, we must modestly admit that the present problem is getting serious. Two economies—the traditional economy and the modern economy—are increasingly confronting each other. From time to time, we witness the fall of lesser enterprises. Small-scale cooking oil, paper, and battery factories have virtually disappeared from the nation's economic scene.

On the basis of the above-mentioned reality, what Minister Ginanjjar said was true. Partiality to the backward people—the weaker economic actors—should no longer be questioned. This has become a prerequisite because only countries with a strong economic structure will win the "war" in the global market.

The government's partiality to the weak may not be sufficient to settle the problem we are encountering unless it is supported and followed by the whole nation, including major entrepreneurs. The goal of achieving common progress through ethics-based business practices will accelerate the improvement of the situation.

### Laos

#### Press Release Issued on Russian Duma Delegation

*BK2712131994 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 26 Dec 94*

[Press release on the 21-24 December official friendship visit by a high-level assembly delegation of Russian Federation issued in Vientiane on 24 December]

[FBIS Translated Text] At the invitation of the National Assembly of the Lao People's Democratic Republic [LPDR], a high-level parliament delegation of the Russian Federation led by His Excellency [H.E.] Aleksandr Dmitriyevich Vengerovskiy, deputy chairman of the Duma, paid an official friendship visit to the LPDR from 21 to 24 December.

During the visit, the high-level parliament delegation of the Russian Federation laid a wreath at the monument of unknown combatants in the capital of Vientiane. It paid courtesy calls on H.E. Saman Vi-gnaket, chairman of the National Assembly; H.E. Khamphoui Keoboulapha, deputy prime minister; and H.E. Somsavat Lengsavat, minister of foreign affairs. The delegation was welcomed by the Lao leaders in a warm and friendly atmosphere. The high-level parliament delegation of the Russian Federation led by H.E. Aleksandr Dmitriyevich Vengerovskiy, deputy chairman of the Duma, and a delegation of our Lao National Assembly led by H.E. Vongphet Saikou-yachongtouna, vice chairman of the National Assembly, held talks to exchange views and experiences. The talks proceeded in a warm atmosphere of friendship. The high-level Russian parliament delegation also visited a number of economic and cultural establishments.

In the official talks, the two sides informed each other of the situation in their respective countries. They exchanged views on means and forms of relations and cooperation between the legislative organizations of Laos and the Russian Federation. They particularly discussed plans to set up a friendship association between the assemblies of the two countries at an appropriate time. The two sides also exchanged views on international issues of common interest. The two sides noted with satisfaction that the LPDR and the Russian Federation have upheld close traditions of mutual assistance and maintained friendly relations and cooperation for a long time.

On behalf of the Russian Federation, H.E. Aleksandr Dmitriyevich Vengerovskiy highly appraised the successful achievements of Laos in implementing the restructuring line.

H.E. Vongphet Saikou-yachongtouna, vice chairman of the National Assembly, expressed a welcome to the high-level parliament delegation of the Russian Federation and thanked the delegation for informing the Lao side of the activities of the Russian parliament and for giving views on the friendly relations and economic and cultural cooperation between the states, the peoples, and the legislative organizations of the two countries.

H.E. Aleksandr Dmitriyevich Vengerovskiy, deputy chairman of the Duma of the Russian Federation, expressed profound thanks to the National Assembly and multiethnic people of Laos for the warm welcome accorded him and his delegation during the visit.

On behalf of the parliament of the Russian Federation, H.E. Aleksandr Dmitriyevich Vengerovskiy has



extended an invitation to a delegation of our National Assembly to pay an official friendship visit to the Russian Federation. H.E. Vongphet Saikou-yachongtoun, vice chairman of the National Assembly of Laos, has accepted the invitation with thanks. The Russian side will be notified of details about dates and times of the visit through diplomatic channels at an appropriate time.

#### **PRC Delegation Meets With Foreign Minister**

*BK2712134494 Vientiane KPL in English 0908 GMT 27 Dec 94*

[FBIS Transcribed Text] Vientiane, December 26 (KPL)—The visiting delegation of the Chinese Association for Peace and Disarmament led by its secretary general, Chen Gefang, on December 23 called on Foreign Minister Somsavat Lengsavat.

The discussion focussed on the safeguarding of world peace and matters of mutual interest.

Mr. Chen Gefang informed Mr. Somsavat Lengsavat of the outcome of the consultation with a delegation of the Lao Committee for World Peace, Solidarity and Friendship with the Nations in which the two sides were ready to strengthen the relations between the two organisations and agreed upon the contribution to the safeguarding of regional and world peace.

The Chinese delegation then paid a courtesy visit to Mr. Khambou Sounisai, vice president of the National Assembly. During the meeting, they touched upon a number of issues in particular the Quadrangle Economic Project of which China plays an important role in pushing it ahead.

The Chinese delegation returned home on the same day afternoon ending its five-day working visit to Laos at the invitation of the Lao National Assembly.

#### **Burmese Delegation Begins Official Visit**

*BK2712134394 Vientiane KPL in English 0933 GMT 27 Dec 94*

[FBIS Transcribed Text] Vientiane, December 26 (KPL)—A delegation of the Ministry of Interior of the Union of Myanmar [Burma] led by its deputy-minister, Mr. Tin Hlaing, arrived here yesterday on a six-day official visit to Laos.

The visit to Laos by the Myanmar delegation is aimed at strengthening and expanding the relations of cooperation and exchange of experience in administration between the two neighbouring countries.

Greeting the Myanmar delegation at the airport were Mr. Vilaivat Phomkhe, deputy-minister of the Prime Minister's Office and director of the Personnel Administration and Management Department, Mr. U Thein Han, ambassador of the Union of Myanmar to Laos.

#### **Central Committee Group Leaves for SRV Visit**

*BK2712142194 Vientiane KPL in English 0912 GMT 27 Dec 94*

[“Head of LPRP CC Propaganda Board Visits Vietnam”—KPL headline]

[FBIS Transcribed Text] Vientiane, December 26 (KPL)—A delegation of the Lao People's Revolutionary Party Central Committee [LPRP CC] led by its acting head, Mr. Osakan Thammathavea, left here yesterday afternoon for an official one-week visit to the Socialist Republic of Vietnam. [sentence as received]

This visit is aimed to exchange views and draw lessons on ideology as well as to discuss the 1995 cooperation plan.

#### **Japan Waives Loan Interest on Dam Project**

*BK2812064194 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 27 Dec 94*

[FBIS Translated Text] In 1994, the Japanese Government waived 247.72 million yen, or U.S.\$2,487,200, in interest derived from loans to Laos for the construction of the Nam Ngum hydroelectric dam.

The exemption of the interest this year has been divided into two portions. An exemption document on the first installment of interest totalling 155.914 million yen was endorsed in July, while the document on the second totalling 93.806 million yen was signed at the Foreign Affairs Ministry in Vientiane on 26 December. Representing the Government of the Lao People's Democratic Republic in signing the interest-waiving exchange documents was Phongsavat Boupha, deputy foreign affairs minister. The Japanese Government was represented by Masao Wada, Japanese ambassador extraordinary and plenipotentiary to Laos.

The interest on the Japanese loans for the Nam Ngum hydroelectric dam has been waived as a gratis aid gesture to Laos for national development and construction aimed at gradually improving the living conditions of our people.

#### **Fourth Meeting With Thai Border Group Held**

*BK2812064894 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 27 Dec 94*

[FBIS Translated Text] At Lan Xang hotel in Vientiane yesterday, the fourth meeting of the Lao-Thai and Thai-Lao General Border Peacekeeping Cooperation Committees was held under the cochairmanship of Lieutenant General Choummali Sai-gnason, national defense minister of Laos, and General Watthanachai Wutthisiri, Armed Forces supreme commander of the Kingdom of Thailand and chairman of the Thai-Lao General Border Peacekeeping Cooperation Committee.

At the meeting which proceeded in an atmosphere of warm friendship and good neighborliness, the two sides



reviewed and consulted with each other on the implementation of the letter of the memorandum issued at the third meeting of the two committees in Bangkok, the Kingdom of Thailand, on 17 September 1994. They also discussed certain remaining and immediate problems that must be resolved together in the immediate future.

The two sides unanimously agreed that over the past one year, the degree of relations between Laos and Thailand has been further strengthened and that the General Border Peacekeeping Cooperation Committees of Laos and Thailand have made progress in carrying out their duties. The two sides pledged to continue fulfilling their duties in a more efficient manner so as to turn the Lao-Thai border into an area of genuine peace and friendship by delegating certain tasks to the provincial-level peacekeeping cooperation subcommittees and committees to map out detailed plans and measures for practical implementation.

The two sides agreed to hold the fifth meeting of the Lao-Thai, Thai-Lao General Border Peacekeeping Cooperation Committees in the Kingdom of Thailand. The date and place of the meeting will be agreed upon later.

The fourth meeting of the committees was concluded with brilliant success on the same day.

## Philippines

### Officials React to U.S. Travel Advisory

#### Romulo: No Need To File Protest

*BK2712125194 Quezon City PTV-4 Television Network in Tagalog 1100 GMT 27 Dec 94*

[FBIS Translated Text] Raphael Alunan III, Department of Interior and Local Government secretary, today said the U.S. Embassy needs to correct the travel advisory it earlier released depicting the Philippines as a very dangerous country. According to Alunan, the U.S. Embassy did not even consult his office as to the real peace and order situation in the country.

Meanwhile, Foreign Affairs Secretary Roberto Romulo thinks there is no need to recall Philippine Ambassador to Washington Raul Rabe or for the government to file a diplomatic protest over the travel advisory.

[Begin recording in English] [Alunan in progress] ...do not begrudge any country who goes out of its way to protect its citizens to travel around the world by providing them with travel advisories. I think that's an excellent procedure. But I do take exception to the method of preparation and the quality of the assessment. I think that needs a further review and I believe that under the circumstances, there is a need for a rectification of the error made with respect to the portrayal of the Philippines as a war-crime zone.

[Romulo] What has to be conveyed to both the public and to the press, and I think we're one in saying that

there must be, ...there is a need to make sure that the image of the Philippines when it's projected abroad should be comprehensive and accurate. [end recording]

In the meantime, National Security Adviser Jose Almonte is surprised about the U.S. Embassy's release of the travel advisory. Almonte said the country is now experiencing satisfactory peace and order over a long period of time.

[Begin Almonte recording in English] The crime rate in the Philippines is not as bad as the crime rate in New York or in other places in the United States. You know, in those places, people fire their guns without reason and that is a rather dangerous situation. You do not have that here in the Philippines. So, I think we have to view that in perspective.

Now, you are asking about the leadership of the president. I think the performance of the economy, the stabilization of the situation, the changing attitudes, where I think, more and more ...there is a higher sense of civic responsibility among our people. I think this is a reflection of the quality of leadership that the president has been proven. [end recording]

### Alunan, Sarmiento Cited

*BK2812050494 Quezon City Radio Filipinas in English 0230 GMT 28 Dec 94*

[FBIS Transcribed Text] Raphael Alunan III, Department of Interior and local government secretary, wants the United States to rectify its travel advisory describing the Philippines as a dangerous destination. Alunan noted that there has been no effort made by the U.S. Embassy to consult the local law enforcement agencies on the present situation of the country. He said the advisory was clearly an inaccurate assessment of the Philippine situation.

Philippine National Police Director General Ricaredo Sarmiento, meanwhile, compared the crime [words indistinct] between the United States and the Philippines. He said the United States has 700 crimes for 100,000 population while only 30 crimes for the same population are (?committed) for the country.

Meantime, Foreign Affairs Secretary Roberto Romulo assures that Philippine Embassy officials are now making representations with the United States stating the Philippines' concern over the (?reneged) and unbalanced travel advisory issued by the U.S. State Department on the Philippines.

### President Ramos Comments

*BK2812054294 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 28 Dec 94*

[FBIS Translated Text] President Fidel Ramos urges U.S. investors and other private sector parties to personally visit the Philippines to see for themselves the real situation in the country. This is the president's reaction



to the consular information sheet issued by the U.S. Government stating that the Philippines is infested with criminality. The president argues that tourism continues to improve in the country as shown by the influx of foreigners into the country, especially Americans. In this regard, the president said that the Department of Foreign Affairs is monitoring the issue created by the U.S. consular information sheet through diplomatic channels. The president has also ordered the Department of Interior and Local Government and other concerned agencies to coordinate with the Foreign Affairs Department to resolve the issue.

#### **Plutonium Shipment Not To Enter Territory**

*BK2812041394 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 27 Dec 94*

[FBIS Translated Text] The government was assured that shipment of plutonium to Japan from France will not pass through Philippine territorial seas. Foreign Affairs Secretary Roberto Romulo said the dangerous waste material will not enter Philippine territory. According to French authorities, they will respect the 124-mile exclusive economic zone of the Philippines and will make sure that the ship carrying plutonium will not trespass the boundary of the country. The entry of toxic waste or poisonous materials in Philippine waters is prohibited by the government.

#### **Military, MILF Declare Temporary Truce**

*BK2812064394 Quezon City Radio Filipinas in English 0230 GMT 28 Dec 94*

[FBIS Transcribed Text] Military and Moro Islamic Liberation Front [MILF] representatives have agreed to suspend armed hostilities until December 30th in North Cotabato. Defense Undersecretary Romeo Zulueta said the temporary truce was arrived following a peace settlement brokered by local officials in the area. Zulueta said there are other ticklish points which both sides have yet to settle, including the proposed pullout of the AFP [Armed Forces of the Philippines] and the PNP [Philippine National Police] in the disputed North Cotabato area.

Meantime, senior AFP officers view the ongoing talks with the MILF as designed on a possible peace negotiations with the rebel Muslim faction. AFP Vice Chief of Staff Arturo Filler said he welcomes the action taken by the MILF representatives during their meetings with the military recently. He said there are favorable signs that the talks may be resumed soon.

### **Thailand**

#### **Government Opens Market to More Farm Products**

*BK2812081194 Bangkok BANGKOK POST in English 28 Dec 94 p 19*

[FBIS Transcribed Text] Thailand will open its market to 22 agricultural products as part of the country's commitment to the World Trade Organisation (WTO).

Deputy Commerce Minister Chaiyot Sasomsap said the Cabinet yesterday granted authority for the Commerce Ministry and agencies involved to work out quotas.

Import of the products had been banned but with the setting up of the WTO next year, Thailand needed to adopt a tariff-quota system instead. However, the quantity and tariff for tobacco had not yet been settled because this product was under the control of the Finance Ministry, he said.

The Cabinet had changed quotas and tariffs to suit the domestic situation. The quota for raw milk had increased from 45,000 to 55,000 tons and the tariff had dropped from 20% to 5%.

The quota for soybean meal had increased from 219,580 to 450,000 tons and the tariff had been cut from 20% to 15%. The quota for soybean seed had been raised from 10,402 to 167,000 tons and the tariff reduced from 20% to 5%.

#### **Government Cuts Tariffs on 11 Goods Categories**

*BK2812073694 Bangkok BANGKOK POST in English 28 Dec 94 pp 1, 6*

[FBIS Transcribed Text] Customs tariffs for 11 product categories covering nearly 4,000 goods have been slashed, effective January 1. The move, announced by the Finance Ministry, was welcomed by members of the private sector.

Chokchai Aksoranan, the chairman of the Federation of Thai Industries (FTI), said the tariff cut would benefit Thailand's industrial development. But he said any impact on each individual industry would only be known after three months.

Under the ministry announcement, the 3,908 items affected account for 52 per cent of all taxable items. The tariffs on the items, which now attract taxes of up to 100 per cent, have been slashed across the board to 30 per cent or less.

The 11 categories are:

- Petrochemical goods, plastics and rubber;
- Textile products;
- Leather, leather goods, shoes, hats, etc;
- Wood, paper pulp, printed matter;
- Glass, ceramics, stone products, plaster, cement, asbestos, mica, jewelry;
- Food products, beverages, spirits and tobacco;
- Automobiles and spare parts;
- Furniture, toys, art objects, antiques and miscellaneous goods;
- Watches, musical instruments, arms and ammunition;
- Machinery and electrical appliances; and
- Chemical goods used in dyes.

A grace period will be granted to allow adjustments for products which will have difficulty competing with imports such as petrochemical goods, furniture, toys, leather goods and watches.



The grace period will be in two phases. During the first stage, the tariff cut on these goods will be only half the intended amount. The second stage calls for the full tax cut to be introduced on January 1, 1997.

The Finance Ministry has imposed a special tax rate of 30 per cent on those goods which can be produced locally and need the protection of extra tax rates. These products are silk fabrics, textile-based wall decorations, garments, blankets, cloth gloves, tablecloths, bedsheets, bedspreads, curtains, tents, shoes, hats, canvas goods, leather bags, hair nets and wigs.

Finance Minister Tharin Nimmanhemmin said the tax reform would benefit consumers by reducing the price of imported goods, products made from imported raw materials and goods from related industries.

The move is also expected to ease the inflation rate and create more competition between locally made and imported products, forcing producers to improve their quality, said Mr Tharin.

The last cuts were introduced in March, affecting eight product categories so that nine categories covering a total of 2,990 items, or 39.52 per cent of all customs tariff items have now been affected.

The newest cuts mean that the average tax rate for 20 categories has fallen from 30.24 per cent to 17.01 per cent.

Where there was previously 39 different tax rates, there are now only six so that the tariff structure can better facilitate industrial development and be in line with the value added escalation principle.

The six different tax rates start at zero per cent for goods such as medical equipment, rising to one per cent for raw materials and electronics parts and vehicles for international transport, five per cent for primary and capital goods such as machinery, tools and computers, 10 per cent for intermediate goods, 20 per cent for finished products and 30 per cent for goods which need extra protection.

Mr Tharin said manufacturers whose industrial products are destined for the domestic market will face increased competition from overseas but they will have a grace period to improve their efficiency and reduce their costs so they can compete.

He said the tax cuts would translate into a loss to the Government of 17,700 million baht over the next few years but the move was thought worthwhile based on the benefits received by the general public.

The Finance Minister agreed and suggested that a working group be formed to receive complaints from companies which may be affected by the move. He said the tariff cut would mean a loss of revenue for the Government but he was confident this would be compensated for by revenue from other sectors.

FTI vice chairman Praphat Phothiworakun said the Government decision was unprecedented as past adjustments had generally not touched the entire tariff system, particularly the petrochemical industry where the cut was the largest.

The Government currently levies a 30 per cent tariff on naptha, 20 per cent on primary and intermediate petrochemical products (except capolactum for which the tariff is seven per cent), and 40 per cent on final petrochemical goods. The tariff on plastic pellets is 60 per cent.

Under the new tariff structure, the rates for the above products will be reduced to one per cent, five per cent, 15 per cent, 30 per cent and 45 per cent respectively.

The tariff on intermediate and final petrochemical products as well as plastic pellets will be further reduced to 10 per cent, 20 per cent and 30 per cent in 1997, he said.

Mr Praphat said the petrochemical industries must look at the Government decision in the broad view because the longer a government protects the local industry, the more complications it will cause. Continued state protection might cause it to lose its competitive edge in the international market.

#### **MP on Drafting of Money Laundering Bill**

*BK2412121094 Bangkok Radio Thailand Network in English 0000 GMT 24 Dec 94*

[FBIS Transcribed Text] Members of parliament are drafting Thailand's first anti-money laundering bill to be presented for consideration in parliament in May when the next ordinary session will be convened.

Democrat MP for Bangkok Pricha Suwannathat said the draft bill to be proposed by MP's covers a wider area than that sponsored by the government. He said the government-sponsored draft bill mainly focuses on preventing drug traffickers from converting their drug money into legal currencies and assets. The MP-sponsored bill also covers other targeted convicts involved in sex trade, contraband, and corruption cases in addition to drug trafficking.

Mr. Pricha admits that it is very difficult to draft this anti-money laundering bill so that it will not affect the business sector and financial institutions. The legislation would empower authorities to check into the financial records of individuals suspected of involving in the changing of money from those illegal activities into legal money through investments and business deals. Mr. Pricha said the House of Representatives can consider both MP and government-sponsored draft bills on the issue at the same time.

#### **Military on Opening Cambodian Border Crossings**

*BK2412112994 Bangkok BANGKOK POST in English 24 Dec 94 p 8*

[FBIS Transcribed Text] Sa Kaeo—The military has asked the Interior Ministry to delay opening two border



checkpoints for logging firms to import logs from Cambodia due to uncertainty surrounding fighting among Cambodian factions.

Sa Kaeo Governor Kasem Chaisit said the Interior Ministry under the leadership of Gen Chawalit Yongchaiyut earlier requested the Cabinet to consider temporarily opening checkpoints at Ban Khok Sabaeng and at Ban Nongphru in Aranyaprathet, but the military wanted checkpoints to stay closed for security reasons.

He said Cambodian government troops regularly fight with Khmer Rouge guerrillas so it won't be safe for Thai loggers to enter those areas.

The area opposite Ban Nongphru is under the control of the Khmer Rouge, which means other countries may accuse Thailand of supporting the Khmer Rouge, he said.

Although logging is an important business for Thailand's economy, the authorities must remember it was an agreement between the Thai private sector, the Government of Cambodia and the Khmer Rouge,

Mr Kasem said the Customs Department has collected about 300 million baht at checkpoints in Sa Kaeo.

#### **Official on Repatriation of Vietnamese Immigrants**

*BK2812152894 Bangkok Radio Thailand Network in Thai 1200 GMT 28 Dec 94*

[FBIS Translated Text] Damri Watthanasingha, deputy permanent secretary in the Interior Ministry, has said there are currently 5,248 illegal Vietnamese immigrants awaiting voluntary repatriation at the holding center in Sikhiu District, Nakhon Ratchasima Province.

According to the statistics, the number of those returning under the voluntary repatriation program has decreased. Damri said he has learned from the UNHCR that other first asylum countries in ASEAN are having the same problem. Malaysia is solving the problem by cooperating with Vietnam to carry out an orderly repatriation program for these people. A tripartite agreement on the issue will be signed by Malaysia, Vietnam, and the UNHCR in January 1995. Under the agreement, illegal Vietnamese immigrants will be sent home immediately once the Vietnamese Government agrees to take them.

The deputy permanent secretary in the Interior Ministry said his ministry agrees that the orderly repatriation program is one solution to help solve the problem. Once implemented, the program will back up the voluntary repatriation program being carried out by the Thai Government. This will help the Thai Government complete the repatriation plan by 1995.

#### **120 Displaced Laos Return Home Voluntarily**

*BK2712070994 Bangkok Radio Thailand Network in English 0000 GMT 27 Dec 94*

[FBIS Transcribed Text] One hundred and twenty Lao displaced persons at Ban Napho Holding Camp in

Nakhon Phanom Province have been repatriated via Mukdahan checkpoint. This group of Lao people fled across the border into Thailand 10 years ago. They voluntarily applied to be repatriated as the situation in the Lao People's Democratic Republic has become favorable. The repatriation was carried out jointly by the governments of Thailand and the Lao People's Democratic Republic with the cooperation of the United Nations High Commission For Refugees, UNHCR. The tripartite agreement specifies the repatriation of all remaining Lao displaced persons in Thailand by the end of the year 1995. So far, 10,223 Lao displaced persons remain in Ban Napho Camp. Those joining the voluntary repatriation program before year-end are provided with full assistance including skill training, food, and cash. After 1995, remaining displaced persons will be treated as illegal migrants under the Thai law.

#### **Former Spokesman Views Inclusion of CPP**

*BK2512084294 Bangkok THE SUNDAY POST in English 25 Dec 94 pp 1, 2*

[FBIS Transcribed Text] Prime Minister Chuan Lik-phai's chance to become a great national leader was dashed when the Democrats brought Chat Phatthana [CPP] into the coalition, according to the premier's deputy secretary-general, Aphisit Wetchachiwa.

Mr Aphisit said he asked the Premier to remove him as government spokesman because he disagreed with the Democrats' decision to bring in the CPP rather than dissolve the House.

In an interview, Mr Aphisit said he saw Mr Chuan as a good, capable person with potential to become an internationally recognised national leader.

The party's decision to bring in Chat Phatthana to keep the two-year old coalition alive curtailed Mr Chuan's potential and he would be remembered only as "a good prime minister".

The chance for Mr Chuan to go down as "a great prime minister" had gone, Mr Aphisit claimed.

Emphasising he is still loyal to the Democrats and the Prime Minister Mr Aphisit said he could not understand why the Premier did not take more decisive action to uphold democratic principles by dissolving the Lower House following New Aspiration's withdrawal from the Government.

He said although he had to accept that the inclusion of the CPP in the coalition had been carried out democratically, he could not agree that the move was democratically justified.

"I am not sure if it's because of the Prime Minister's personal background that made him reluctant (to dissolve Parliament) and appear to be satisfied with what he has achieved.



"(The Prime Minister) is humble. He may feel what he has achieved is already beyond his expectation. He may feel only satisfied with the fact that he has been able to prove that a son of an ordinary person can also be prime minister," Mr Aphisit said.

Mr Aphisit, who has enjoyed the deep trust of the Premier, said the party's decision to include the CPP had cost the Democrats dearly in terms of a loss of public support.

"The decision has created an image that our phuyai see government stability, continuity of economic development and the government leader as the same thing as democratic stability," he said.

The Bangkok MP said he regretted his party's decision.

He said he had been assigned by the party to announce to the public that the Government would remain a minority coalition and would not bring in any other parties.

He made the announcement on December 9 only to learn on December 11 that a decision had been made to bring in the CPP.

"I felt very sorry because the sudden change made the party appear to have no trust in the public and their judgment, that we feared an election.

"What I regret most is that it seems no one in the party believes a dissolution is a way to set a new standard for our politics," Mr Aphisit said.

He said even the foreign media and foreigners had anticipated the Prime Minister would opt for a dissolution and let democracy take its course.

Since the situation had turned out this way, Mr Aphisit said that as a small member of the party who did not want to create problems he decided to quit as spokesman.

He said he did not want to blame Chat Phatthana for tearing up the Opposition's agreement not to join the coalition.

"The Opposition's agreement is something like a statement by a man and a woman to live their lives together. If they happen to decide to divorce they naturally have to forget that agreement.

"I want only to ask whether our attempt to put the blame on their decision to divorce is correct. I also want to question whether the person who persuaded them to divorce should also be blamed," Mr Aphisit said.

He said many members of the public had telephoned television stations to ask them what would have happened if the CPP had not been brought in.

Mr Aphisit said the country had a lot to gain if the Government had decided against including the CPP.

"Although we may not have a better government, we would have obtained new, better political standards for ourselves."

Mr Aphisit said the Premier's decision had been supported by many people in the party on the grounds that it would ensure economic continuity and prevent a new election.

"This is a dangerous thing," he said.

A recent poll showed that Mr Chuan is still the public's most favoured choice as prime minister.

"But what's the use of being the tallest man among a bunch of short people," Mr Aphisit said.

### Government's Averting of Censure Bid Viewed

BK2512083994 Bangkok THE SUNDAY POST in English 25 Dec 94 p 18

[Editorial: "Government's Averting of Censure Bid a Hollow Achievement"]

[FBIS Transcribed Text] Nothing stands to be gained from the Government's "success" in averting a humiliating censure debate over the land reform scandal. By denying the Opposition a chance to present its case in Parliament, the Government has deepened and solidified public mistrust of its honesty.

Commentaries by newspaper columnists and academics during the past week indicate that there are still lingering doubts about the distribution of So Po Ko 401 land ownership documents in Phuket.

Among more than 400 persons benefiting from the land reform scheme in the southern province, a dozen were found to be wealthy businessmen, including the husband of Democrat MP Anchali Wanit Thepphabut.

The recent resignation of Agriculture Minister Nipphon Phromphan and his deputy Suthep Thuaksuban, both from the Democrat Party, left some crucial questions unanswered.

Was there a high-level conspiracy to give land documents to rich people in Phuket?

Is there a legal loophole that allows rich people to apply for ownership of land that is intended for poor, landless farmers under the Land Reform Law?

Suthep believes he has done nothing wrong. He said his resignation was not due to any mistakes on his part, but rather to take into account public sentiment on the issue.

Nipphon said his resignation had nothing to do with the ministerial performance. It was, he said, to pave way for a Cabinet realignment after the Chat Phatthana Party (CPP) agreed to join the coalition in place of the New Aspiration Party.

The CPP indeed came to the Government's rescue at the right time.



The former opposition party had earlier endorsed a motion calling for an extraordinary parliamentary session to grill Prime Minister Chuan Likphai over the land scandal. The motion was dropped after some senators and CPP MPs withdrew their support, apparently out of political expediency.

But this does not mean that the Government can let the controversy die down without giving the public a clear and prompt explanation.

Recent press reports about a conflict between the Democrat and Chat Phatthana parties over who should oversee the Forestry Department and the Agricultural Land Reform Office (ALRO), enhance public doubts about the Democrats' real intention.

Deputy Agriculture Minister Churin Laksanawisit, a key Democrat, denied any conflict between the two parties over work assignments.

"The suggestion that the Democrat Party wanted to oversee the Forestry Department and the ALRO in order to cover up mistakes made by former ministers is ridiculous," he said.

"What was done involved public and national administration. Nobody will be able to cover up anything. Everything will be dealt with by reference to the facts."

That sounds fine from a political point of view. But the Democrats can do us a great service by revealing what really happened in Phuket—now

Why do people have to wait five months—until Parliament reopens in May next year—to hear a debate the land scandal?

A committee chaired by Agriculture Deputy Permanent Secretary Sommai Op-i has been looking into the legal issues involved in the Phuket land scam for over three weeks. The "Group of 16" MPs has dug deep into the scandal and, according to a group member, has come up with crucial information.

If there is really no foul play in the land reform programme, as many Democrat Party members have repeatedly stated, then the Government should allow members of the House to debate the matter in Parliament as soon as possible. The debate should be broadcast live to allow members of the public to hear both sides of the issue.

In forming a new Cabinet, Prime Minister Chuan must ensure that his Government is worthy of public support. The Phuket land scandal is a thorn in the Government's side and Chuan must deal squarely with the problem.

The support of the people cannot be gained if ruling politicians sweep ugly misdeeds under the carpet for the sole purpose of staying in power.

## Vietnam

### Hanoi Reports Condemnation of Algiers Hijacking

*BK2712152494 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 27 Dec 94*

[FBIS Translated Text] Answering a VIETNAM NEWS AGENCY correspondent's question regarding the murder of Mr. Bui Giang To, the Vietnamese trade counselor in Algeria, the Foreign Ministry spokesman said: On 24 December, a group of terrorists hijacked an Air France plane at the airport in Algeria's capital city. Despite protests by the international community and efforts by the Algerian Government to ensure the safety of the passengers being held hostage, the hijackers killed some of the passengers on board, including Mr. Bui Xuan To [name as heard], the Vietnamese trade counselor in Algeria. The Vietnamese Government and people strongly condemn this barbarous and terroristic act of murder and call on the international community to strengthen their joint efforts to prevent similar criminal acts.

### Vo Van Kiet Receives New Catholic Cardinal

*BK2412113494 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 23 Dec 94*

[FBIS Translated Text] Cardinal Pham Dinh Tung, who has just been ordained in Rome, paid a courtesy visit on Prime Minister Vo Van Kiet at the Government Office on 23 December.

Prime Minister Vo Van Kiet congratulated the cardinal on his new duties. The prime minister highly valued the contributions of religious people—including Catholic bishops and priests—to the country and to national renovation in recent years. He expressed his belief that our country will further develop and move forward despite difficulties and obstacles, and that Catholics—with their tradition of faithful devotion and patriotism—and the entire Catholic Church will form a tighter bond with the national community by offering their best intelligence and strength to national construction, thus successfully implementing the tenet of a better religion and a better life. On the occasion of the Christmas season, the prime minister asked the cardinal to convey the warm greetings of the party Central Committee and the government to Vietnamese Catholics.

Cardinal Pham Dinh Tung was moved by the honor of meeting Prime Minister Vo Van Kiet. He considered the meeting an honor for the entire Vietnamese church and all Catholic people. He thanked the Vietnamese Government for its concern over the church's activities and the living conditions of Catholics and pledged to do his best in the formidable national renovation undertaking to lead our country out of poverty and join our friends in the world.



**Vo Van Kiet Article Marks Army Anniversary**

*BK2412115594 Hanoi Voice of Vietnam in English  
1000 GMT 23 Dec 94*

[From the "Talk of the Week" feature]

[FBIS Transcribed Text] Vietnamese Prime Minister Vo Van Kiet said the glorious history of the [word indistinct] struggle over the last half century has proved the Vietnam People's Army to be a heroic army of a heroic nation. In an article carried by the Army daily QUAN DOI NHAN DAN marking the 50th anniversary of the Vietnam People's Army, the prime minister wrote there were now in the contemporary world few nations with such an army that have been cared for, loved, and treasured by the people and conserved so high title as in Vietnam. He expressed the belief the Vietnamese Army would endeavor to accomplish its obligations as a reliable defense force of the country in the new stage of development.

As the head of government who was once in the ranks of the armed forces, Prime Minister Kiet shared with officers and men the joy and honor on the 50th anniversary of the Army. He said when the country shifted over to national construction in a time of peace, officers and men have to sharpen their political stance, revolutionary virtues, sense of vigilance, and stand ready to defend the homeland. Apart from that, each soldier has to be fully aware of the requirements of building up a revolutionary and regular modern army by studying constantly to raise the knowledge of military, economic, and diplomatic areas while strengthening physical conditions and the ability to use advanced technologies and sophisticated weapons. All these will aim at defending the country.

Regarding the Army engagement in economic construction, Prime Minister Kiet pointed out the Army should take part in socioeconomic development in a relevant manner. In mountain, border, or island area in particular, Army units should be engaged in both ensuring security and defense and helping ethnic minority people to develop economy and culture, thus improving their material and spiritual life and strengthening national defense capacity. The Army must be actively involved in education work to contribute to safeguard social security and political stability. They should also take part in key economic projects as the main phase in the important social campaign for the wealthy and powerful country and a civilized and fair society.

In concluding his article, Prime Minister Vo Van Kiet stressed a wealthy and developed country would be a firm basis for development and modernization of Army. The Vietnam People's Army—known as Uncle Ho's soldiers—were not only the regular strength of the armed forces, but also a main political force in all fronts throughout the past half century of national construction and defense. The Vietnam People's Army will always deserve its noble title on the road to national development.

**Radio Essay Hails Army-Party Relations**

*BK2212141594 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 22 Dec 94*

[Essay by Khanh Van: "Our Party and Armed Forces"]

[FBIS Translated Text] In 1946 when the Liberation Army was renamed as the National Defense Brigade, I was 19 and was working for a village popular education program. I overheard somebody saying the Army must serve as a common tool for the country and not for any particular party. This was probably discussed by some urban people taking refuge from the war in our village. At that time, I did not know anything about the party's leadership over the Army. As for the Army, I understood it to be the way it was described in a ballad with which youths of my time were very fascinated during the Uprising days: Numerous grim-looking, heroic fighters are brandishing their swords on the way to the battlefield. The country is waiting for the help of Army volunteers. Mountains will stand witness to their sacred fighting zeal.

When the national resistance war began, I joined the Army, was admitted to the party in 1948, and was taught about the histories of the party, the Vietnamese Revolution, and the Army. I was aware that the relationship among the party, the Armed Forces, and the people was very organic. That is why no forces could destroy it. I also was aware that in Vietnam, this indestructible quality led to our repeated victories over many tough imperialists and helped us firmly defend our national independence, unification, and sovereignty.

Yet, in recent years I have heard certain people alleging that the Armed Forces must be depoliticized. This means they want to deprive the party of its leadership over the Armed Forces and to copy the pattern that resulted in the collapse of many socialist countries. This also means that they want to work for hostile forces' designs against our party and people. Furthering the designs of these international hostile forces will be tantamount to supporting the peaceful evolution strategy of those who want to defeat Vietnam without a war because they have failed to defeat us with war. As an old saying goes: Only when there is a bone in Banh Duc [a Vietnamese pancake] will the imperialists have pity for our people. After 30 years of war against imperialist aggressors with untold losses and sacrifices, is it not enough for certain people to draw for themselves a lesson in telling friends from foes? What would happen if we follow the pattern that already has resulted in the collapse of the above countries? Everyone was definitely aware of and felt bitter when they found out that in certain countries the people were still comrades-in-arms one day, but the next they fought and killed one another. We should not oppose one doctrine and then allow ourselves to fall into another doctrine. We must analyze the history of our nation to find a path to follow. Uncle Ho once left the country in search of a way to save the country. He successfully found a way to save the Vietnamese nation.



That is the national cause associated with mankind's most genuine desire—a scientific way to liberate people in Vietnam. Therefore, Uncle Ho led us in every step forward. We may still remember that no other steps are more accurate and wonderful than Uncle Ho's. This too is evident and I do not want to say anything further about this.

Moreover, this article wants to prove that in the past 50 years, our Armed Forces have fulfilled a historic role in fighting against invading forces and gaining national independence and peace under the leadership of Uncle Ho and our party; that our Armed Forces also have been the army of the party against dominating and oppressive Rroups to secure the government for our people; and that if a vanguard party wants to fulfill its historic role in leading the nation out of slavery, it must lead the army. It cannot do otherwise. Therefore, the Armed Forces must be the army of the party; the party must be the spirit of the army.

Consequently, when Uncle Ho said our Armed Forces are loyal to the nation and filial to the people, that means that the Armed Forces are also loyal to the party; when he said our Armed Forces are loyal to the party and filial to the people, that also means that the Armed Forces are also loyal to the nation because the party's goal is also shared by our entire party, Army, and people.

We said our Armed Forces are from the people and are fighting and sacrificing for the people. So is the party. It is created from the fighting movements of the public. For the future and happiness of the people, party members do not fear imprisonment and death. In this sense, the Armed Forces are the power of our party and the party is the strength of our Armed Forces. Moreover, the party is the compass for our Armed Forces. Therefore, it is logical for us to say that the Vietnam People's Army is the army of the Vietnamese people and the Communist Party of Vietnam.

An experience which is valuable in one country may not be so in another country. A dogma which calls for the removal of the political character of the Armed Forces may be suitable somewhere, but it is absolutely not suitable for Vietnamese conditions. We also should understand that in a country with two political parties alternating in governing the nation, the Armed Forces in that country also must take orders from the ruling party. So, the president of the ruling party has the right to wage a war against people in another country. So, those Armed Forces are not depoliticized. Invading forces are never out of the realm of politics.

From the aforementioned thinking, I think that the view about to whom the Armed Forces belong must have been brought up by reactionary parties when we took office and after these reactionary parties had done nothing to participate in movements for national independence or to gain the government. They just waited for our party and Armed Forces to complete the task before they asked for their share.

The situation is the same at present. Apart from the disillusioned people who want to apply dogmatic principles without considering practical conditions in Vietnam, all hostile forces to Vietnam are apparently indignant at our party leadership over the Armed Forces—the leadership has created a very strong national unity which helps to shape our recent history. It is impossible to deny that the hostile forces are very afraid of our national unity.

We have our own principles in organizing our democratic system, which is strengthened and broadened with every passing day. Those who want to depoliticize our Armed Forces are not concerned about the Vietnamese democratic system, but they only want to create political instability in order to fish in troubled waters and to conduct their scheme of peaceful evolution.

Political stabilization is the decisive factor for our national fortune because development only emerges from stability; strong development will create better conditions for further stabilization. Stabilization is the cause and also the result of socioeconomic achievements and stabilization can only be achieved under the leadership of the Communist Party of Vietnam—which has led our people and Armed Forces for more than half century in our undertaking of national construction and protection. In conclusion, whoever says anything against this, we are determined to keep to our path. Our party, Armed Forces, and people are the three branches of a tree of heroic Vietnam.

#### **'Review' Notes Improvement in Foreign Trade**

*BK2612134994 Hanoi Voice of Vietnam in English  
1000 GMT 26 Dec 94*

[Unattributed "review"]

[FBIS Transcribed Text] Vietnam's import and export in 1994 increased considerably compared with the previous years. Export turnover achieved \$3.6 billion, 20 percent higher than that of 1993, and import turnover achieved \$4.2 billion. In his report at the year-end meeting of the National Assembly, Prime Minister Vo Van Kiet said export volume in 1994 tripled and import volume has doubled. Crude oil and coal were particular high on the export list, from 28 to 30 percent. Other products such as light industry, agriculture, forestry, aquatic products, and minerals were also potential export items. Over the past four years total export value reached \$11 billion, meeting the demand for import of materials and equipment in service of the national economy and contributing to the improvement of the trade balance.

The success first of all has been attributed to the renovation and the open door foreign policy of the Communist Party of Vietnam. The mottoes of multilateralization and diversification and the policy of befriending all countries have helped Vietnam's foreign trade further integrate into the world market. Vietnam has made great effort in industrialization and modernization through



in-depth investment on equipment and facilities, improvement of product quality, thus winning the confidence of customers. Vietnam at present has trade relations with more than 100 countries and territories. Seventy percent of Vietnam's total export and import turnover are with the Asian-Pacific countries, representing an annual increase of 30 percent. Another prominent feature is relations between Vietnam and international and regional trade organizations. Mr. Mai Van Dau, vice minister of trade, said Vietnam has been an observer that was actively preparing for the application of the General Agreement on Trade and Tariffs [as heard]. Vietnam will take part in ASEAN and regional free trade bloc which is taking shape. A framework agreement on trade cooperation between Vietnam and the European Union countries was being finalized for signing.

There has never been a broad participation of different economic sectors and localities throughout the country in producing import and export goods. In the past, provinces, cities, and production establishments in Vietnam used to import and export their goods mainly

by authorization. Now there has been changes in macro policies. Many organizations and localities have directly exported and imported their products, accounting 40 percent of Vietnam's direct export turnover in 1994.

Speaking about Vietnam's socioeconomic strategies to the year 2000, including foreign trade strategy, Mr. Nguyen Van Dau [name as heard] said Vietnam has concentrated on speeding up export and import quicker than the economic growth rate. Export was considered a motivation and key factor to achieve economic growth. The aim by the year 2000 was to obtain an export turnover two to 2.5 [as heard] higher than at present. However, to fulfill this goal much remains to be done. The Trade Ministry was focusing on setting up a more suitable export and import management system, commodity policy, and import and export quota to speed up the country's export and import activities.

Entering 1995, Vietnam foreign trade branch will expect to make a longer and firm try to contribute to the development of the national economy and extend its relations with the world market.



## Australia

### Talks Under Way With PRC on Boat People Issue

*BK2812061594 Melbourne Radio Australia in English  
0100 GMT 28 Dec 94*

[FBIS Transcribed Excerpt] Talks are under way between Australian and Chinese officials over the recent influx of boat people. The latest vessel carrying suspected illegal immigrants from China is expected in Darwin later today. Four boats carrying more than 250 Chinese have arrived in Australian waters in the last six days.

The Australian Government has expressed concern about the arrivals and says talks are under way between the two countries to get to the root of the problem.

Opposition immigration spokesman Jim Short says the Australian Government should consider setting up a processing office in Beihai in southern China—the departure point of a number of boats. [passage omitted]

The Western Australian Indochinese Refugees Association says Australia says many of the boat people are ethnic Chinese who were expelled from Vietnam in 1979 and have effectively become homeless in China. The spokesman for the association, Richard Egan, claims China is trying to get rid of them.

[Begin Egan recording] These people have been living more or less happily in China for 15 years. Obviously some of them may have experienced persecution of various kinds, but others may not have. But what is happening now is the Chinese are trying to wash their hands of people that they accepted in 1979 when they were expelled from Vietnam. They have got an obligation to treat these people as residents and to provide for their well-being. Certainly, Australia, the United Nations, and so forth need to get involved in discussions with China and make sure they fulfill those obligations. [end recording]

### Minister Intends To Send People Back

*BK2812090194 Melbourne Radio Australia in English  
0500 GMT 28 Dec 94*

[FBIS Transcribed Text] Australia's minister of immigration, Nick Bolkus, says the government intends to

send suspected illegal immigrants from China back home as soon as possible. During the past six days, four boats carrying more than 300 people have arrived in Australian waters. A fourth boat is now being escorted into Darwin Harbor in the Northern Territory.

Senator Bolkus, who has been holding talks with Chinese authorities to stem the flow of boat people, says he has a strong message for the Chinese Government.

[Begin Bolkus recording] To the Chinese authorities the message is very strongly that these people have got no right to come and impose themselves on Australian shores in the way that they have. We obviously have processing systems here, but to the authorities we say if there is a responsibility to ensure that those that are profiteering from this racket don't continue to do so, that responsibility is on the Chinese authorities. And secondly, we are working cooperatively as we have done before. Preferably we want to organize return for those that have got no right to be here. [end recording]

## Papua New Guinea

### Julius Chan Blamed for Peace Talks' Failure

*BK2812080994 Melbourne Radio Australia in English  
0500 GMT 28 Dec 94*

[FBIS Transcribed Text] The Solomon Islands-based Bougainville Peace Office has blamed Papua New Guinea [PNG] prime minister, Sir Julius Chan, for the failure of the Bougainville peace conference in Arawa in October.

A report released by the Peace Office spokesman, Martin Miriori, says Sir Julius was too hasty with the peace process. The report says Sir Julius ignored advice from Bougainville Revolutionary Army and the Bougainville interim government to delay the peace conference for at least a month.

It also accuses him of taking short cut while the utmost care was necessary to ensure the opportunity to discuss peace was not undermined.

Mr. Miriori says that the secessionist leaders believe the reason for Sir Julius' hastiness was that Port Moresby had run out of money, and officials did not want to lose face if they took the advice. The October peace conference failed because the leaders of the secessionist movement broke off the Arawa talks, claiming they feared for their safety.



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